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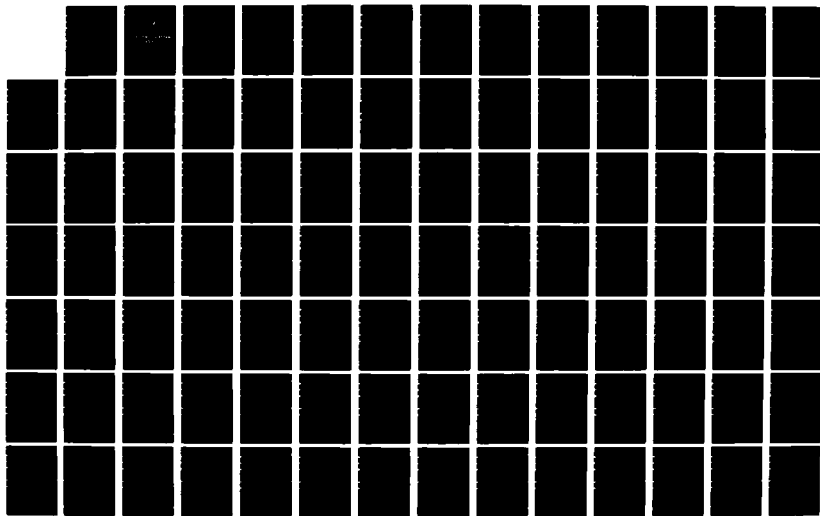
PROCUREMENT: THE SOURCE SELECTION PROCESS VOLUME 1(U)
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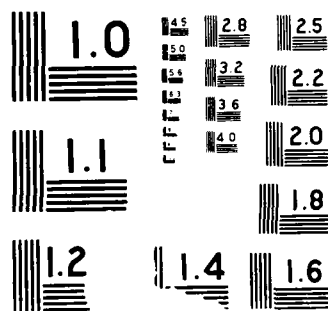
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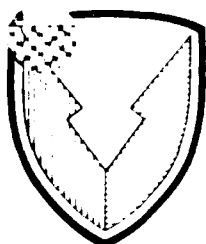
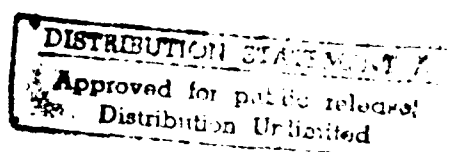


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PROCUREMENT

THE SOURCE SELECTION PROCESS



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U. S. Army Materiel Command

This pamphlet on the proposal evaluation and source selection process for the development and production of Army systems has been revised to update the guidance on key personnel and organizations, planning, the function of the solicitation, proposal evaluation, the source selection decision, and acquisition streamlining. At a later date the organizational aspect of formal source selections (forms, certifications, operating procedures, etc.) will be published as an AMC-P 715-3, Volume II. This pamphlet has been revised to update the policy on the proposal evaluation and source selection process and to offer ideas and examples to tailor and streamline source selections to the circumstances of the individual acquisition.

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Procurement

THE SOURCE SELECTION PROCESS

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CHAPTER 1

INTRODUCTION

1-1. Purpose.

a. This pamphlet is designed for those who have the responsibility to evaluate offers and select firms whose proposals offer the most promise of achieving the Government's performance, schedule, cost, and other objectives. It describes the procedures that may be used to conduct a source selection. The pamphlet is intended for the guidance of those who are required to support the source selection effort, particularly members of project management offices, legal counsel, functional directorates, and staff offices of major subordinate commands (MSCs).

b. The provisions of this pamphlet are not mandatory but they are based on the use of the formal procedures contemplated by Department of Defense Directive (DODD) Number 4105.62, "Selection of Contractual Sources for Major Defense Systems." The pamphlet does not provide a single method of source selection, but it provides alternatives for the structure of a source selection. Mandatory instructions for source selection for major systems and equipment will be found in the Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS), Army FAR Supplement (AFARS), and AMC FAR Supplement (AMC FAR SUP) Subpart 15-6, and the aforementioned DODD.

c. The application of the discipline, logic, and methodology given in this pamphlet should improve the quality and efficiency of any selection action involving a negotiated competition which involves uncertainties in technical, schedule, and cost performance.

d. Adaptation consistent with the principles set forth in this pamphlet is encouraged on a case-by-case basis. Tailoring the evaluation method and organization to the specific requirements of each situation will be especially important in the performance of a quality source selection with a minimum investment of time and people. Tailoring of the acquisition process is mandated by DODD 5000.43, "Acquisition Streamlining."

e. This pamphlet does not address the organizational aspects of source selection. The organizational aspects of source selection will be provided in AMC pamphlet 715-3 VOL II. The organization pamphlet will include operating procedures, forms, and certificates.

1-2. Applicability. This pamphlet applies to Headquarters, U.S. Army Materiel Command (HQ AMC), AMC MSCs, separate installations and activities reporting directly to HQ AMC, and AMC program/project/product managers (PMs) that have responsibility for development, acquisition, and management of materiel.

1-3. References. Required and related publications are listed in appendix A.

1-4. Explanation of terms. Abbreviations used in this pamphlet are explained in the glossary.

CHAPTER 2

THE CONCEPT OF FORMAL SOURCE SELECTION

2-1. The reason for formal source selection.

a. The entire process by which the Government examines and evaluates the facts leading up to the award decision in the competitive acquisition of a weapon or other system is called "source selection" throughout the DOD. A source selection process is considered "formal" when a specific evaluation group structure is established to evaluate proposals and select the source for contract award per FAR 15.612(a).

b. The great technical complexity of weapon systems, the long leadtime required for their development, and their high cost have given extraordinary importance to the sound choice of a successful offeror. This choice has often become for the top management of the Army a key decision that affects not only the ability of our land forces to accomplish their missions but also a significant segment of the economy where the contract work is to be performed.

c. A diverse array of technical, management, and professional skills are required to formulate and express the Government's requirement for a major weapon or system in a solicitation and to evaluate the proposals of the competing offerors. These skills are needed because: the hardware to be developed and produced is often an assembly of numerous components that are products of different technologies or engineering disciplines; the technical uncertainties that are characteristic of the effort to develop, produce, and field a new weapon systems or equipment require varying degrees of surveillance and control over a contractor's work; and many of the weapon systems being acquired today require the participation of other military services and Government agencies whose counsel will be needed to reach the selection decision.

d. Because of the far-reaching consequences of the selection decision, the authority to make it must be retained at a level considered fully accountable and knowledgeable of all the factors necessary to make an enlightened choice. It is essential that the criteria for selection be established by and at the management level which has the necessary experience and visibility.

e. The need to assemble individuals with the required skills, expertise, and judgment in optimum groupings and at the proper time and place to give meaningful and useful advice to the designated decision maker has given rise to formalized, although not inflexible, methods for evaluating proposals. DODD 4105.62 requires that the selection decision be made by a high level official within the Department of Defense (DOD) called the Source Selection Authority (SSA). To prepare the SSA for the selection decision, the basic evaluation tasks are accomplished by technical experts assembled in a body called the Source Selection Evaluation Board (SSEB). To the SSEB's evaluation is added the judgment of the senior military and civilian personnel who represented the various functional areas involved in the acquisition. This body of experts is called the Source Selection Advisory Council (SSAC). The SSAC's report to the SSA forms the basis for the award decision.

2.1 Characteristics of the formal source selection process.

a. A clear separation, but not isolation, of the functions of evaluation and selection is contemplated by the formal source selection procedure. It is intended that the SSA have maximum latitude in the selection decision. For this reason, the SSEB does not make selection recommendations to the SSA, unless specifically requested. After the SSEB evaluates the proposals, a comparative analysis of each proposal by the SSAC is presented to the SSA, and the members of both the SSAC and the SSEB thereafter remain available for consultation with the SSA. This arrangement has the advantage of enabling the SSA to--

(1) Make a careful judgment in a situation where there are only narrow differences in the relative merits of competing proposals.

(2) Apply greater experience and visibility than is normally available to the evaluators.

b. Criteria used to evaluate proposals and their relative importance are established by the SSAC with the concurrence of the SSA. This allows the evaluation standards to be set by individuals who, in terms of their experience and their management responsibility, have the requisite understanding of what the Government wants from the successful offeror.

c. Segregation of the scoring and weighting functions is made to minimize bias and realize an optimum measure of objectivity. The amount of importance or emphasis to be given particular criteria or classes of criteria is determined by SSAC with the concurrence of the SSA. The evaluators then determine the numerical or other values for their assigned segments of the offerors' proposals.

d. Another feature of the formal source selection process is the incorporation of the SSAC's judgment into the qualitative or quantitative ratings of the evaluators. This judgment takes the form of comments reflecting their military and civilian experience in military operations, technology, logistics, acquisition, etc. Such comments are added to and made a part of each proposal analysis.

e. The SSA must be at an organizational level above that of the PM for the system being acquired. Normally, the SSA is an individual serving in a major acquisition position who has a high level of knowledge of all the factors that bear on the selection decision.

f. The personnel selected to evaluate proposals and to add their judgments to the conclusions of the evaluators must--

(1) Be professionally competent military and civilian personnel.

(2) Have special skills or knowledge related to the acquisition.

(3) Be selected from organizational levels sufficiently high enough to insure they have the needed visibility to be effective in their advisory assignments.

(4) Comprise a balanced representation of all technical and other functional specialties relevant to the acquisition under consideration.

2-3. The configuration of formal source selection.

a. The major elements of work in the selection of an offeror is typically a composite of organizing, planning, communicating, and evaluating functions.

b. Organizing includes the identification and appointment of the competent professionals and specialists to staff the SSEB and the SSAC.

c. Planning concerns itself with determining what the Government needs, the best way to acquire those needs, and how to determine which of the competing offers provides the most assurance of meeting those needs.

d. Communicating the Government's requirements to industry is basically accomplished in the solicitation. Here the Government's requirement is stated in a clear and concise manner. The acceptability and overall quality of proposals depend to a great extent on the clarity and precision of the solicitation.

e. Evaluation of the proposals submitted by the competing offerors is one of the main functions of the source selection process. The principal purpose of the evaluation is to provide a sound basis for the SSA to make an informed and objective judgment. It requires a mixture of fact-finding, reporting and the application of professional judgment to provide a rounded and comprehensive picture of the adequacy of each offeror.

2-4. Variations of the traditional source selection organization.

a. There are a multitude of variations of the traditional or formal source selection organization. DODD 4105.62, paragraph B.2. states:

The principles established in this Directive also are applicable to acquisitions other than those for major systems, but the organization of the source selection process may be tailored to suit individual needs. For example, in acquisitions when the contracting officer is the source selection authority, he or she shall determine the extent of functional support needed to arrive at a source selection decision.

Formal evaluation boards or advisory councils are not required for all acquisitions and are expensive and time consuming endeavors. The use of SSEBs and SSACs should be the exception rather than the rule and when used should be fully justified.

b. Some evaluation criteria are broken down into the overall assessment, areas, elements, factors, and subfactors. This subdivision may be necessary and prudent in some cases, but DODD 4105.62.E.3c. states in part that "Excessive subdivision of criteria should be avoided to preclude an unnecessarily detailed averaging of pluses and minuses at the lowest levels."

c. Every acquisition should make maximum possible use of the acquisition streamlining principles; and all evaluation criteria. specifications,

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standards, and data items should be fully justified. DODD 5000.43 on "Acquisition Streamlining," paragraph A1 states in part "The streamlining concept should be considered for application to the entire spectrum of acquisition activities." Chapter 7 provides a more complete discussion of streamlining techniques. A key to streamlining is reduction of the source selection endeavor to the minimum essential that will protect the best interests of the Government.

CHAPTER 3

KEY PERSONNEL AND ORGANIZATIONS

3-1. SSA designation. The head of the DOD component responsible for the major system acquisition is the SSA, unless otherwise directed by the Secretary of Defense, and as such shall notify Deputy Secretary of Defense of the intention to award a major system contract and may be requested to provide a briefing before announcement of the award per DODD 4105.62, paragraph D.2. The Assistant Secretary of Army (Research, Development, and Acquisition) as the Army Acquisition Executive is the SSA for major weapons systems per DODD 5000.1 and designated Army Programs/Projects per AR 1000-1, Basic Policies for System Acquisition. Formal source selection may be used whenever deemed in the best interest of the Government by a head of a contracting activity. The individual determining that formal source selection shall be used for a particular acquisition shall also designate the SSA.

3-2. SSA responsibilities. The SSA is responsible for the proper and efficient conduct of the entire source selection process encompassing proposal solicitation, evaluation, selection, and contract award. The SSA has, subject to law and applicable regulations, full responsibility and authority to select the source(s) for award and approve the execution of the contract(s). Other SSA responsibilities include the following:

- a. Ensure that the source selection plan (SSP) and the evaluation of proposals are consistent with the requirements of the solicitation and the policies of DODD 4105.62 and the Department of the Army.
- b. Review and approve the SSP including any special instructions or guidance regarding solicitation provisions.
- c. Identify the level of involvement of the PM and the PM's office personnel in the evaluation and source selection process.
- d. Appoint personnel to the SSAC and the SSEB chairperson and deputy chairperson with the requisite skills and experience to execute the SSP.
- e. Provide the SSAC and SSEB with guidance and special instructions to conduct the evaluation and selection process.
- f. Approve the contracting officer's (KO) determination to exclude offerors from the competitive range at any point in the selection process.
- g. Approve all cases where it is necessary for the KO to reiterate a call for Best and Final Offers (BAFO). AMC FARS 15.610.100(b) contains policy on principal assistant responsible for contracting approval requirements.
- h. Ensure conflicts of interest or the appearance thereof are avoided.
- i. Make sure premature or unauthorized disclosure of source selection information is avoided.
- j. Inform the Deputy Secretary of Defense of the outcome of the source selection after selection but before public announcement per DODD 4105.62 for major systems.

k. Make the final source selection decision and cause the supporting rationale to be documented before a contract award is announced.

l. Determine the extent to which the PM or the host installation commander will furnish logistic support to the source selection process.

3-3. SSAC responsibilities. A SSAC may be appointed by the SSA to advise the SSA. SSAC responsibilities include the following:

a. Ensure that personnel resources and time devoted to source selection are not excessive in relation to the complexity of the program.

b. Review and approve the evaluation criteria and standards.

c. Determine the necessary weights of the evaluation criteria.

d. Ensure that when precise numerical weights are applied by the SSAC, such weights are not disclosed either to the offerors or to the SSEB to preclude intentional or unintentional bias in proposals or evaluations.

e. Approve membership of the SSEB.

f. Ensure that appropriate actions are taken consistent with the FAR to ensure competition in the selection process.

g. Review and approve the recommendations of the Solicitation Review Panel and authorize the release of the solicitation.

h. Review and provide comments to the SSA on the KO's competitive range determination.

i. Analyze the evaluation and findings of the SSEB and apply weights, if established, to the evaluation results.

j. Prepare the SSAC Analysis Report for submission to the SSA.

k. Provide briefings and consultations, as requested by the SSA.

l. Enter a recommendation as to source(s), if requested by the SSA.

m. Prepare the source selection decision document for the SSA's signature, if requested by the SSA.

3-4. SSEB responsibilities. SSEB responsibilities include the following:

a. Conduct an in-depth review and evaluation of each proposal against the solicitation requirements, the approved evaluation criteria, and the program.

b. Prepare and submit the SSEB evaluation report to the SSAC for analysis along with a summary report of the findings.

3-5. SSEB chairperson responsibilities The SSEB chairperson is responsible for the following:

- a. Conduct a comprehensive evaluation of competitive proposals in an impartial and equitable manner, and the production of summary facts and findings required in the further conduct of the selection process.
- b. Prescribe the evaluation and scoring procedures and the methods by which an overall assessment is obtained among many members.
- c. Assure that the SSEB members understand the criteria and the standards for the evaluation of proposals so that there is a uniformity of approach in the rating effort.
- d. Be responsive to the guidance and special instructions of the SSA and the SSAC.
- e. Provide such briefings and consultations, as may be required, to the SSA and the SSAC.
- f. Assure the adequacy and overall quality of the narrative justification for the evaluation results.
- g. Recruit competent individuals for assignment to the board.
- h. Select and assign the committee chairpersons and recording secretaries.
- i. Prepare the request for the nomination of qualified individuals to serve on the board.
- j. Determine the need for advisors and consultants.
- k. Require the assigned members attendance at the meetings and conferences of the board, and assign work necessary for the accomplishment of its mission.
- l. Remove members from assignment in the event of a demonstrated emergency or other cause.
- m. Require members to work overtime, when necessary.
- n. Select the meeting site for board deliberations and request the necessary support from the host installation commander.
- o. Assure the safeguarding of defense and other sensitive information by the board.
- p. Provide office space and other administrative support as required.
- q. Review and coordinate with staff officers preparation of the minutes and the assignment of the responsibilities of board members.
- r. Advise staff of the need for detailed security editing of minutes and staff assignments.
- s. Advise staff of the need for detailed editing of board minutes.

- t. Estimate and obtain the funds needed to support the board.
- u. Arrange for bus or other vehicular transportation to move board members between the assigned office space, living quarters, and eating facilities.
- v. Plan the security requirements of the board and the worksite and supervise their accomplishment when the board is convened.
- w. Assign members to the principal committees and subcommittees of the board.
- x. Oversee the briefing of new members regarding their duties.
- y. Establish the agenda and the schedule for committee and subcommittee meetings.
- z. Assure optimum use of personnel by careful planning to avoid idle or standby time.
- aa. Coordinate the work of technical, management, cost, and other committees so that the interface and trade-off possibilities between time, cost, and technical performance are adequately evaluated.
- bb. Assure that the missions of the principal committees and the subcommittees are clearly expressed using written charters, when needed.
- cc. Obtain any necessary clarification of criteria and scoring methods.
- dd. Isolate policy issues and major questions requiring decision by the SSAC and the SSEB.
- ee. Supervise the preparation of needed documentation to support evaluation findings with major emphasis on clarity, logic, and succinctness.
- ff. Formulate the agenda for SSEB meetings.
- gg. Arrange for a properly equipped, secure conference room of adequate size to hold the meeting.
- hh. Record the deliberations of the meeting.
- ii. Document the conclusions of the meeting.
- jj. Transmit to the KO responsible for making the awards the appropriate SSEB records.
- kk. Prepare the lesson-learned report and obtain the SSA approval prior to its release.
- ll. Provide a roster of individuals who participated on the SSEB to HQ AMC after contract award.

3-6. Deputy SSEB chairperson. The deputy chairperson of the SSEB acts in the absence of the SSEB chairperson and assists the chairperson as directed.

3-7. Other SSEB support personnel. The number and variety of support personnel will vary from acquisition to acquisition. These people include an administrative officer, operations officer, budget officer, and a security officer.

3-8. PM responsibilities. The PM is responsible for the development and implementation of the acquisition strategy, preparation of the SSP, and having the SSAC chairperson present the SSP to the SSA for its approval before issuance of the solicitation. Other responsibilities of the PM include:

a. Coordinate the SSP with the KO and attorney advisors of the SSEB, SSAC, and the SSA.

b. Assure that source selection personnel understand the item to be acquired, operational requirements, and the technical and other problems that will require solution by the successful offeror.

c. Perform the duties assigned by the SSA (advisor, executive secretary, member, or chairperson of the SSAC or SSEB).

d. Provide program manager office personnel as advisors or evaluator to the SSEB or SSAC.

e. Provide necessary funds for salaries, overtime, travel, and other expenses of the source selection in accordance with Army Materiel Development and Readiness Command DARCOM Supplement 1 to AR 37-100-80, The Army Management Structure.

3-9. Advisors. In addition to full-time board members, experts are undoubtedly needed on a part-time basis to answer specific questions that arise during the evaluation deliberations. Auditors, pre-award surveyors, quality assurance specialists, and engineers from various disciplines may be needed at various points in the proceedings. To satisfy these requirements, the chairperson should seek primary support from the personnel resources of the AMC and those staff elements whose mission and experience qualify them to give expert advice.

3-10. Consultants. On occasion, it is necessary to obtain the services of a non-Government consultant from universities or industry to advise the board on a particular aspect of the evaluation for which a Government expert is not available. Consultants are expected to comply with the requirements of AR 600-50, Standards of Conduct for Department of the Army Personnel, and other conflict of interest regulations and to file a statement setting forth other Government and private employment as well as financial interests with the chairperson of the board. Due to the exceptional sensitivity of evaluation proceedings, such individuals should be engaged only when there is a compelling need for their services which cannot be satisfied within the Government. Consultants should be allowed access to only those portions of the proposal that are necessary to enable them to give specific technical advice. It is necessary to obtain the permission of offerors to release proposal information to consultants by placement of the proper notice in the solicitation. Appropriate legal and other clearances for such services should be obtained per FAR, DFARS, and AFARS Part 37.

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3-11. KO responsibilities. The KO is responsible for the preparation of solicitations and contracts, communications with potential offerors, consistency of the SSP with FAR requirements, including the DFARS, AFARS, and AMC FAR SUP, and any other functions and requirements specified in the aforementioned acquisition regulations, except for the source selection responsibilities of the SSA. The KO makes the competitive range determination, executes the resulting contract, and is responsible for debriefings of unsuccessful offerors.

3-12. Attorney advisor. The attorney advisor is responsible for providing sound legal advice, based on law, regulation, and case law, to the source selection participants.

CHAPTER 4

THE SOURCE SELECTION PLAN

4-1. General.

a. The source selection process requires much effort by highly skilled personnel resulting in large monetary expenditures. Success in source selection requires an adequate plan to include monitoring and an established time frame if the process is to run smoothly. A successful source selection does not just happen.

b. The sequence of events depicted in figure 4-1 presents a dimensional overview of the interactive events that will be present in all major acquisitions regardless of total dollar value or complexity. This pamphlet does not prescribe one particular time frame for all source selections; however, it does advocate maximum compression of the time interval while using minimum essential personnel.

4-2. Source Selection Plan.

a. Purpose. The SSP is the written guide for the source selection process. The SSP describes how proposals will be solicited from industry; how they will be evaluated, scored, and summarized after receipt; and negotiation procedures. The SSP should also reflect who will evaluate proposals, composition of the SSEB, functional areas required to be represented, determination of security needs, and a timetable for contract execution. In substance, the SSP is the Government's statement to itself as to how it intends to purchase what it wants. It distinguishes what is important and gives the relative importance of criteria. The SSP should cover all essential elements but should be simple and austere. Where appropriate, other acquisition planning documents should be incorporated by reference.

b. Processing. Per DODD 4105.62 the SSP shall be prepared by the PM, reviewed by the KO, attorney advisor, key SSEB and SSAC members, and approved by the SSA before the issuance of the solicitation. While the selection process is formally set in motion by the designation of the SSA, most basic planning and preparation for evaluation must be completed prior to that time. As indicated in figure 4-1, the SSP will have been in preparation in advance of the appointment of the SSA in order to ensure the timely completion of the selection process.

c. Uses of the SSP. The SSP is used to--

(1) Translate the objectives stated in the acquisition strategy and the acquisition plan into a specific approach for soliciting and evaluating the proposals of offerors to do the work.

(2) Communicate this approach as the recommendation of the PM and associates through the SSEB and SSAC to the SSA.

(3) Act as an authorizing document or charter after the SSAC has approved its recommendations, particularly as to the composition of the SSEB and the evaluation criteria to be used, and be communicated as a directive or formal order to the SSEB.

(4) Provide essential guidance to writers of the Request for Proposal (RFP) as to what should be emphasized in the solicitation.

(5) Describe the criteria and the techniques to be used to evaluate the proposals.

4-3. Principal parts of the SSP. There is no prescribed format for a SSP, nor should there be. Typically, a SSP consists of two parts. Part one describes the organization, membership, and responsibilities of the source selection team. The second part identifies evaluation criteria and detailed procedures for proposal evaluation. A list of topics suggested for inclusion in a SSP is shown in appendix B. Recommendations as to how these topics can be presented in the SSP are discussed in the following paragraphs.

4-4. Nature and scope of acquisition.

a. System or equipment being acquired.

(1) Regardless of the format used, a well-structured SSP should give early consideration to describing the hardware, software, or services to be acquired. The description should be a brief, concise statement of the nature of the end item being acquired, using a minimum of technical language and explanations in layman's terms to the extent practicable. There should also be a description of the essential mission and performance requirements of the system. In addition, there should be a summation of the major subsystems or components, whether these are to be purchased under a prime contract or are to be acquired separately by the Government and furnished as Government-furnished property (GFP). If there are problems of design, technology, producibility, or integration to be solved by the contractor, they should be synopsized and any acceptable approaches for resolving them stated.

(2) Where there are acceptable trade-offs that do not compromise the overall mission requirements to be made among the technical performance requirements of the system or between technical, schedule, and cost thresholds and goals, etc., they should be identified in this phase of the discussion. In brief, this portion of the SSP should be a carefully conceived condensation of those parts of the system development plan that are directly relevant to the source selection.

(3) A graphic display showing the principal subsystems, components and other work requirements emanating from the system development plan is also useful in the SSP. Therefore, a copy of the contract work breakdown structure required by DODD 5010.20, Work Breakdown Structure for Defense Materiel Items (MIL-STD-881A), should be appended to the narrative at the point.

b. How the system or equipment is to be acquired. This section of the SSP should describe the contractual arrangements to be used (e.g., one contract or sequential contracts, parallel developments by competing offerors, etc.) and establish the place of the impending contract in the overall acquisition plan for the life of the project. It should also explain the type of contract to be used (cost-plus-incentive fee, fixed-price-incentive fee, etc.) and the nature of the incentive or other special features to be embodied in the contract. In short, this section should be a concise summation of those portions of the acquisition plan that cover the contract about to be awarded.

c. Security of source selection information.

(1) Source selection efforts should always be protected by stringent security arrangements. In most system and equipment acquisitions, information affecting the national defense is discussed; also, proprietary data or other company privileged intelligence is often involved in the proposal being evaluated. The methods used to evaluate proposals and the trend of evaluation deliberations are of great interest to competing offerors. Therefore, both oral discussions and documentations should be safeguarded to preclude any competitive advantage among the offerors.

(2) This section of the SSP should describe the procedures to be employed for: information classified under national defense classification regulations; contractor proprietary data or other privileged intelligence; information pertaining to the source selection process; and the control, handling, and security of all source selection information documents, files, and space to be used regardless of the security classification of the material.

(3) To protect proprietary information and ensure the integrity of the competitive acquisition system, electronic messages, For Official Use Only (FOUO), should not be used for communication of information about proposals, evaluations, selection, or other sensitive aspects of the source selection process.

(4) The amount of detailed security guidance included in the SSP should be tailored to meet the security classification of the acquisition, safeguarding requirements for competition sensitive data, the complexity and size of the organizational structure of the SSEB, and to assure that the distribution of the SSP is restricted to the source selection organization members only.

4-5. SSAC and other advisory sources.

a. There is no mandatory requirement for the SSAC, but if a SSAC is not formed then the SSA must perform the comparative analysis which is usually done by the SSAC. The decision to use the expert advice of the SSAC for a particular source selection may be based on its complexity, value, or other considerations. In order to properly plan the entire source selection effort, the SSA must be queried by PM early in the development of the SSP to determine if expertise of this nature is warranted. Should the SSA desire expertise in addition to the evaluation board, the response to the query should include information needed for the SSP (e.g., the nature of the function to be performed and the identity of the individual or individuals who should perform the function). When designating members of the SSAC or the SSEB, as appropriate, consideration should be given to inviting participation by General Officers throughout the Army and other services, for joint programs, to provide representation of the users and those activities with a vested interest in the outcome of the source selection.

b. On occasion, it may become necessary to obtain consultant services of an authority or expert outside the Government (e.g., from universities or industry) to advise the SSAC or SSEB on a particular aspect of the evaluation for which a Government expert is not available. The SSP should address the nature of the services required and the identity of the individual or

individuals who should perform the services, and it should also contain guidance for appropriate legal and other clearances as well as conflict of interest provisions.

c. The SSAC section of the SSP should cover the following subjects:

(1) Organization. It includes a listing of the senior military and civilian personnel by name, rank, grade, position, parent organization, and functional areas which they represent. The SSAC should include one or more members with previous experience in formal source selections. This section also recapitulates the functions of the SSAC as described in paragraph 3-3 and any other responsibilities made necessary by the requirements of the source selection.

(2) Schedule and agenda. Because the SSAC is responsible for establishing the evaluation criteria and their relative importance in a form acceptable for use in the RFP, it is required to meet before the RFP is issued. It may also be necessary for the SSAC to convene to review offerors' past performance, SSEB members and SSAC advisors reports on visits to offerors' facilities, and view video presentations of the offerors. The work of the SSAC may be expected to culminate in the review of the SSEB's findings, applying weights thereto, and documenting the SSA's decision. Thus, three types of SSAC meetings can be visualized:

(a) Introductory sessions. During these first meetings, the SSAC organizes itself, is briefed by the PM, and studies the SSP. In particular, the SSAC considers the recommendations of the SSP as to how the SSEB should be organized and, in response thereto, it appoints the chairperson. The SSAC also selects the criteria and establishes their relative importance for use in the RFP after evaluation of the relevant suggestions of the SSP. It may also elect to be represented by an advisor at presolicitation or preproposal conferences with industry to prevent the release of the names of the members of the SSAC to industry. The SSAC should meet with the SSA to discuss responsibilities, charters, and ground rules.

(b) Intermediate sessions. At these meetings, the SSAC considers problems raised by the SSEB and gives guidance. In more complex evaluations, it may elect to hear summations by the appropriate SSEB personnel as work progresses or is completed. Offerors' video presentations, plant visits by SSEB members and SSAC advisors, and the consideration of offerors' past performance or other evidence of contractor capabilities also occupy the SSAC during these sessions.

(c) Concluding sessions. The final meetings entail hearing and reviewing the work of the SSEB and include conferences for the preparation of the proposal analyses, i.e., the infusion of their judgments into the summary of the SSEB's findings and the documentation of the rationale of the SSA's selection decision for signature, if requested.

(d) Joint sessions. To conserve the time of SSAC members, it may be practical to join the intermediate and concluding sessions into one continuous sitting. It depends on how effectively the schedule of the SSEB and the SSAC can be coordinated. Tentative dates should be assigned for all the needed meetings as soon as there is sufficient visibility and the resulting schedule should be made part of the selection plan.

(3) Criteria matrix. This section should be a graphic display of the evaluation structure, showing the division of the evaluation tasks among the evaluators (i.e., the committees or working groups of the SSEB); the breakout of detailed tasks to the subcommittees and individuals according to specific criteria; and the scoring plan that will be used. This exhibit should be supported by only as much narrative as necessary. The criteria matrix is meant to be a summary used by SSAC members.

(4) Relative importance matrix. A diagram presentation of the relative importance of the different criteria to be used by the SSAC should be included here. Figure 4-2 shows an example of a relative importance matrix. The actual matrix should be determined by the SSAC.

(5) Support of the SSAC. This paragraph should describe the meeting site where the SSAC convenes, and the nature and composition of the secretariat that supports it before, during, and after council deliberations. Concerning the former, the name, address, telephone number, and any special features of the meeting site that the members should know should be stated. The size and composition of the secretarial staff should be explained.

4-6. Source Selection Evaluation Board. The guidance to the SSEB may be expected to reveal the evaluation structure and scoring arrangements in considerably more detail than in the directions for the SSAC discussed in the previous paragraph. It should be sufficiently definitive or explicit to tell the evaluators what and how to evaluate. The SSEB section of the SSP should contain the following elements:

a. Organization.

(1) An organizational chart, showing how the group is to be structured, would be preferable in presenting this subject. Provision may be made for an executive staff for the SSEB chairperson if the size of the effort warrants. The organization of the evaluation teams to the lowest level should also be delineated. For example, structures should commonly be made for a breakout into technical, management, and cost areas and others, when the size and complexity of the acquisition warrants. Organizational structure and responsibilities are discussed in detail in chapter 3.

(2) A separate roster of personnel by name, rank, or grade, home station, and SSEB assignment is also included as an enclosure to the SSP.

(3) A strong representation of qualified personnel from the "user command" on the SSEB will ensure finite fulfillment of mission need.

b. Schedule and agenda. Key events or milestones that may be expected to occur between the time the SSEB is organized and its adjournment should be listed here and assigned target dates. Provisions should be made for the following events:

(1) Introductory sessions. During these meetings, which should occur a week to a month prior to receipt of proposals, the PM's orientation briefing should be given, as should the SSEB chairperson's discussion of the SSP, and such training as might be required to assure that there is a common understanding among the SSEB members of the evaluation requirements.

Committee chairpersons should also organize their staffs, define and explain evaluation criteria, and expound on the prescribed methods of scoring.

(2) Intermediate sessions. Use of the time between the receipt of the proposals and the completion of the evaluation is planned by the SSEB chairperson to meet the particular requirements of the source selection. Some chairpersons might find it profitable to allocate time for examining and critiquing the proposals immediately following their receipt and breakout to the committees. Target dates may be established to complete the various levels of evaluation effort. To assure the interface between the technical, cost, and management aspects of the proposals, intercommittee meetings should be held. The organization of SSEB time is also important for making optimum use of the expertise and talent that has been assembled, in one place, and at so much expense, to evaluate the proposals.

(3) Concluding sessions. Drafting the proposal analyses for the consideration of the SSAC, writing the required summarizations, and the justification of scores, as well as compiling such reports as the lessons-learned report would be the substantive work to be accomplished during the final meeting. The SSEB should not be disbanded until the lessons-learned report is completed. Copies of recent lessons-learned reports are included in AMC-P 715-3, Volume III. Completion dates for these tasks are an essential part of the SSEB schedule.

c. Support of the SSEB. The support should include requirements of an SSEB for personnel, logistic, and security support. A support plan should be summarized in this paragraph of the SSP or be referenced therein. The support plan should then be attached as an appendix.

4-7. Milestones of the source selection. The control of time is indispensable to the sound management of the selection process. Optimum use of all personnel assigned is doubly important because the time spent on the evaluation is also time lost from primary duties at home stations. Therefore, the plotting of a schedule with target dates using either a Gantt chart or a program evaluation and review technique (PERT) type network is a basic part of the selection plan. Only the pivotal or significant events should be listed, but they should cover, as a minimum, the events listed in appendix C.

4-8. Bibliography. This listing of written material should include only those plans, studies, and reports that have direct relevance to the source selection, e.g., selected sections of the acquisition plan, feasibility studies, and the like.

4-9. Glossary. Each system or equipment being acquired can be expected to have its own terminology. To promote communication between members of the SSAC and the SSEB, including the "nontechnical professionals," a glossary of common technical terms should be included.

4-10. Revisions. Revisions and additions to the SSP should be controlled and systematically recorded on a tabulation to be included with each document issued.

4-11. Evaluation criteria.

a. Purpose. Evaluation criteria are those aspects of a proposal that will be evaluated quantitatively and qualitatively to arrive at an integrated assessment as to which proposal can best meet the Government's need as described in the RFP. Evaluation criteria also serve to inform offerors of the relative importance the Government attaches to various aspects of a proposal.

b. Criteria definition.

(1) This paragraph should describe the selection criteria. The criteria define the specific Government objectives and their relative importance, so that prospective offerors may judge the basis upon which their proposals are evaluated and how they can best devote their efforts in preparing such proposals. A list of possible criteria categories is shown in appendix D.

(2) A criterion has a standard on which a judgment or decision should be based. A standard is a guide for measuring how well an offeror's approach meets the desired performance. It shows the difference between the required performance and what an offeror is proposing to do. It permits the evaluation of proposals against objective norms rather than against each other. Examples of criteria are performance, schedule, cost, past performance, rights in data, facilities, and personnel.

(3) Criteria should be definable in quantitative terms or in specific qualitative terms that are readily understandable by the evaluators.

4-12. Structuring criteria for evaluation.

a. Evaluation criteria shall be structured so as to reach to a level of detail sufficient to discover the advantages, disadvantages, and deficiencies of offers directly associated with significant aspect of the required item or significant tasks of the required service. Mere recitation of top level criteria such as "technical" and "management" is insufficient.

b. For the purpose of evaluation, a precise definition of each established criterion should be prepared in narrative form to indicate what it is and how it is to be used (i.e., there should be a description of the standard indicating the desired performance for each criterion). Appendix E provides an example of a quantitative and qualitative criterion and standard. Such definitions should be either included in or appended to the SSP. Evaluation criteria and their relative importance must flow from the statement of work.

c. Evaluation criteria in the SSEB evaluation plan may be broken down to sub-levels below that specified in the solicitation. All lower-level criteria used in evaluation, whether or not they are published in the RFP, must be consistent with the selection criteria and must make a meaningful contribution to the validity of judgments based on these selection criteria.

d. Performance criteria are derived from the operational, mission, and technical characteristics stated in the materiel requirement documents. Such criteria should cover key performance characteristics necessary to operational or mission success.

e. Technical and cost evaluation criteria, when practicable, may follow a work breakdown structure to a level where technical criteria can be scored. Excessive subdivision criteria should be avoided to preclude an unnecessarily detailed assessment that obscures significant differences among proposals.

f. Criteria such as production capability and management approach are considered but may or may not be evaluated separately, as directed in the SSP. These criteria typically have a pervasive impact and therefore cannot be evaluated in the same way as other, more narrowly defined criteria.

g. Although cost is always a criterion in source selection, lowest proposed contract cost often is not the determining criterion in selecting sources for development. Per DODD 4105.62, paragraph E.3.d., when cost is weighted in development source selections, the specified relative order of importance is intended to provide general guidance to offerors on the relative importance that the Government attaches to cost considerations, including unit production cost and life-cycle cost objectives. Such guidance is intended to be used by offerors to include affordability considerations when making tradeoffs to achieve a balanced proposal that is responsive to mission requirements while also reflecting program constraints. Typically, cost increases in importance as a discriminator in the source selection decision when differences among proposals relative to other factors are small. Cost realism and credibility should be evaluated when a cost-reimbursement contract is contemplated. FAR 15.805-1(b) requires that when cost or pricing data is required, as is the case of most source selections, a cost analysis must be performed to evaluate the reasonableness of individual cost elements. In addition, price analysis review should ensure that the overall price offered is fair and reasonable.

4.13. Responsibility for establishing criteria.

a. The SSA and SSAC are responsible for establishing criteria and to determine their relative importance in a form that can be used in the RFP. In performing this function, the SSAC may use the recommendations contained in the SSP. An example of an evaluation criteria matrix is provided in figure 4-3. When any criterion is so critical to system performance that it is of overriding importance, it should be split up, with the approval of the SSAC and the SSA, and its detailed treatment established separately so that there can be no question of how it will be regarded at any level of evaluation. For example, the weight of missile-borne hardware may be so critical that a separate evaluation of the weight implications of the component instrument packages might be necessary. Another example is Integrated Logistics Support (ILS); Manpower and Personnel Integration (MANPRINT); and Reliability, Availability, and Maintainability (RAM); and the design, development and integration of mission critical software which are considered major evaluation items per AMC FAR SUP 15.605-100.

b. The criteria and their relative importance are established by the SSA and SSAC and are furnished to all offerors in the RFP. However, when relative weights are applied by the SSA or SSAC, such weights will not be furnished either to offerors or to evaluators other than the SSAC to preclude intentional or unintentional bias in proposals or evaluations.

4-14. Procedures for proposal evaluation.

a. Nature and scope of the evaluation.

(1) A key objective of the DOD source selection process is to assure that an individual serving in a major executive position is fully responsible for the selection decision in a major acquisition. It is intended that this individual, the SSA, have a maximum latitude in making this decision. For this reason, selection recommendations are not made by the SSAC unless such recommendations are specifically requested by the SSA. This policy establishes a clear distinction between the responsibility for evaluation and the responsibility for decision. The results of evaluation provide a major input to the selection decision but are not to be considered as having the force of decision. What the evaluation should provide is a sharp definition of the issues that were considered during the evaluation, so that the SSA has a sound basis for judgment. Areas of uncertainty and risk should be identified, and the pros and cons of available approaches should be analyzed. Similarly, areas in which substantial assurance of a successful outcome can be concluded from the facts at hand should also be identified.

(2) The SSiB does not evaluate the relative merits of one proposal as compared to another. The SSEB individually evaluates proposals against the requirements of the solicitation. Only the SSA and, if requested, the SSAC will apply judgment regarding relative merits of the proposals.

(3) Evaluation requires a mixture of fact-finding and reporting, correlation, estimation, and the application of professional judgment to provide a rounded, comprehensive picture of the adequacy and potential of each proposal. It normally requires--

(a) Examination and judgment of the merits of each proposal and a comparison to the established criteria.

(b) Validation of the information, estimates, and projections of each firm as presented in its proposal.

(c) Successive summarization of detailed evaluation results accompanied by analyses in sufficient depth to give visibility to any significant findings or reservations.

(4) An example of an evaluation structure is described in appendix F.

b. Preparation and training. A decision to be made by the SSEB chairperson and incorporated within the SSP is whether training and orientation of the evaluators is to be accomplished by advanced reading assignments to be completed before reporting to the meeting site or by intensive classroom work during the introductory sessions, or by a combination of both. For either course of action, the SSP should give suitable direction.

(1) A study plan may consist of certain required reading for all, such as the SSP, the RFP, or selected portions thereof, the system description, or other documents. For members of particular committees, there could be special pre-reading. For example, technical committee members might be expected to familiarize themselves with the materiel requirement documents, the data reliability studies, specifications for major

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subsystems, etc. Members of the management committee should become conversant with the major elements of the Selected Acquisition Information and Management Systems and the criteria of the Cost/Schedule Control System cited in enclosure 1 to DOD Instruction 7000.2, Performance Measurement for Selected Acquisitions, DARCOM-P 715-5, Cost/Schedule Control Systems Criteria (C/SCSC) Joint Implementation Guide, and AR 37-200, Selected Acquisition Information and Management System (SAIMS). "Cost" committee evaluators should study the independent Government estimates required by AFARS 15.803, etc.

(2) The section pertaining to training should instruct all subordinate elements of the SSEB on how to score proposals. The major topics should be: a summary of the evaluation criteria already established and used in the RFP; the matrix of technical, management, cost, and other criteria to be evaluated; and how the scores should be recorded, consolidated, and incorporated in the final SSEB report for submission to the SSAC.

c. Breakout of proposals. Proposals submitted by offerors, if structured according to the guidance given in the RFP, should easily break out into separate packages for the technical, management, cost and other committees. If the proposals are not so organized, more work is required. In either event, this section of the SSP should describe the procedure to be followed when the proposals are received, who is to make the original review (e.g., a team of chairpersons), how the proposals are to be broken out, the number of copies to be made, timing of issuances, and how the copies are to be safeguarded and controlled.

d. Evaluation committees.

(1) Tailoring the committee organizations to best serve the needs of the particular source selection is the main purpose of this section. This section of the SSP will state specifically the committee organization for SSEB and their assignments. This is especially necessary when the SSP is to serve as a charter for that body. A clear statement of a committee's mission is also helpful in dividing the evaluation chores.

(2) In the assignment of committee responsibilities, it is necessary to carry the delineation of tasks down to identification of the specific evaluation criteria that the evaluators will be scoring. The breakdown of committee responsibilities should be in accordance with the breakdown of the evaluation criteria.

(3) One should first identify the "areas" that comprise the first level of indentation in breaking out of proposals for evaluation purposes. Having formed committees around such "areas," it is usually necessary to subdivide the work further so as to isolate those features of the proposals that are susceptible to scoring. The work breakdown structure provides the best tool for this purpose. The magnitude of the evaluation task mainly depends on the level of indenture in the work breakdown structure at which the scoring is to be accomplished.

(4) A work breakdown structure most frequently takes the form of a pyramid. The successively lower levels of indenture are often called areas, elements, factors, and subfactors. The first tier, which identifies evaluation committee functions, is called the area level (figure 4-3). The second tier, which deals with major subsystems and is commonly evaluated by

subcommittees, is named the element level. The third tier is concerned with factors, and the fourth with subfactors. It is at these lower levels where the representations made in a contractor's proposal are first compared with the pre-established standards.

e. Scoring techniques.

(1) Scoring is the assignment of a value, such as a number or adjective, based upon the degree to which the proposal met the standard for the criterion. There is no prescribed technique for scoring. Past practices include color coding, numerical, plus or minus check, adjective, ordinal rating systems, or combination thereof. As an example, numbers may be used to indicate proposal scoring at factor and subfactor level and color codes may be used at element and area level. At area and element level scoring must be accompanied by a consistent narrative assessment of the basis for scoring. The important thing is not the scoring technique, but the consistency with which it is applied to elements of proposals and among proposals to ensure a thorough and fair evaluation that is evident in the supporting narrative. This section should describe the scoring system to be used in the evaluation. Different scoring techniques are summarized in appendix C. Whether individual scoring or group scoring is to be used should be stated. If more than one individual is to score a given requirement, this should be specified.

(2) If at any level of indentation an offeror's proposal is evaluated as not meeting a minimum requirement (that is, below the level of acceptability), this fact must be included in the scoring and narrative assessment at that element level and each higher element level of indentation. An unacceptable score at any level must be carried to the area level.

(3) In the structure for scoring, the number of items to be summarized into the next level of indentation should be kept to a minimum. The aggregation of a larger number tends to decrease the sensitivity of the scoring at a higher level. Also, the narrative evaluation at the higher level can become ponderous if too many items are addressed.

(4) It is important that the evaluator take advantage of the full range of scores if circumstances warrant, so that the variances between proposals may be readily identified by the SSAC. The evaluation process should not merely attempt to classify all proposals as either fully acceptable or unacceptable.

(5) Where scoring covers a large number of criteria and goes into great depth, a simple procedure for controlling work processes is needed.

(6) Evaluators should not vote on scores nor should individual evaluator or unit scores be averaged or otherwise manipulated mathematically to produce a single raw score for any criterion or sub-criterion. The scores shall be established as the result of a consensus of the evaluators.

(7) The following elements should not be scored:

(a) Financial capability and pre award surveys, although these may be considered by the SSAC.

(b) Cost or price, although its relative importance must be decided by the SSAC.

(8) Evaluators should support their scores with a narrative that identifies advantages and disadvantages, the degree of worth, the significance, and risk of the same.

f. Risk assessment. Proposal evaluators must consider the technical, schedule, operational readiness and support, and financial risks inherent in a proposal. One means of assessing that risk is to review an offeror's recent actual performance in relevant areas. Past performance, as an element of risk analysis, may be used as one predictor. Evidence of past performance may be obtained from numerous sources, such as the offerors, pre-award surveys, on-site Government personnel at a contractor's facility, field data collection systems, and other contracting activities that are or were customers of the offeror whose proposal is being evaluated. This paragraph should list the methodology used for risk assessment. A method of addressing risk assessment is provided in appendix H.

g. Price or cost evaluation.

(1) Independent Government estimates are necessary as a benchmark against which to compare proposal cost estimates. Such estimates may be either Government estimates of a similar system that would satisfy the need or independent Government estimates of the specific systems approach proposed by the offeror. The latter has the advantage of using the same baseline as that proposed by the offeror. The cost realism or most probable cost of the offeror's cost proposal should be determined. Partial estimates, particularly of high risk areas, may be used when time or cost constraints do not permit development of a complete independent Government estimate for each proposal. Life-cycle cost estimates shall take into consideration all costs to the Government, including costs incurred or avoided as a result of changes in such areas as maintenance procedures, use of facilities, shipping, training, and staffing. DFARS 7.103(h)(2) gives more guidance on life cycle cost.

(2) In both cost reimbursement and fixed-price type proposals, elements of cost are evaluated to aid in the assessment of the total cost to the Government. Even when the principal cost driver is the direct input (labor and material), the management of indirect costs and rate structures must be evaluated both from the standpoint of their absolute level as well as trends.

(3) Cost proposals are evaluated not only from the standpoint of total cost to the Government but also on the basis of the reasonableness and magnitude for fixed-price type proposals and realism for cost reimbursement type proposals. Reasonableness is determined by an assessment of the level of the proposed effort. The Government's objective is to pay a fair and reasonable price for work performed under contracts. The test for reasonableness ensures that the Government does not pay more than what is fair, considering system effectiveness and suitability as well as efficiency in the conduct of the design and manufacturing phases. The test for realism ensures that risk is taken into consideration to preclude a buy-in that promises low cost but cannot be substantiated as credible by either the level of the proposed effort or the efficiency with which the work is to be carried

out. Regardless of the total price to the Government, the determination of reasonableness is done by the KO per FAR 15.805-1(b).

h. Documenting the evaluation.

(1) Proposal evaluation should be documented to show how the overall assessment of the proposal was arrived at and that the evaluation process was fair, comprehensive, and performed in accordance with the SSP. Individual evaluator sheets are important as narrative support for scores. The individual evaluator sheets should be maintained for record purposes.

(2) The narrative justification for the evaluation results is finalized at the conclusion of the scoring deliberations. It will take the form of an SSEB final report. The requirement for an SSEB report of the evaluation should be identified and planned early. The report content should be tabulated in this paragraph of the SSP, in order that the component chapters, annexes, exhibits, etc., can be assembled progressively as the group's work proceeds.

(3) The requirement to document lessons-learned should be separately identified within the coverage of the documentation requirements. The lessons-learned should include both the successful and unsuccessful procedures and innovations taken to improve the source selection process, action recommended to take or avoid in future acquisitions, the acquisition strategy employed, the conduct of the evaluation, and the administrative mechanism used to control the process.

(4) This section should provide instructions for final disposition of all documents associated with the source selection effort.

FIGURE 4-1

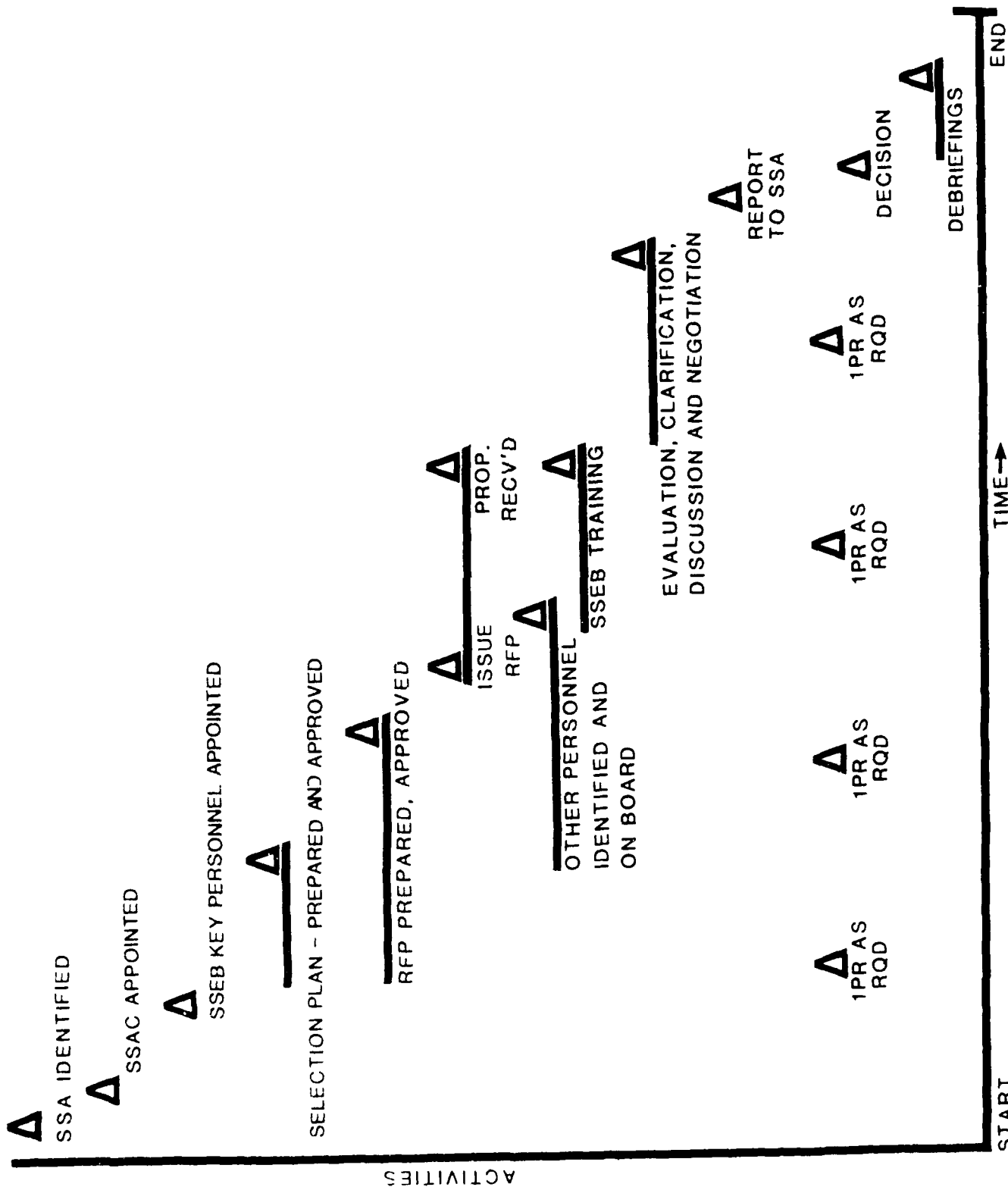


Figure 4 - 1. Milestone chart for source selection.

FIGURE 4-2

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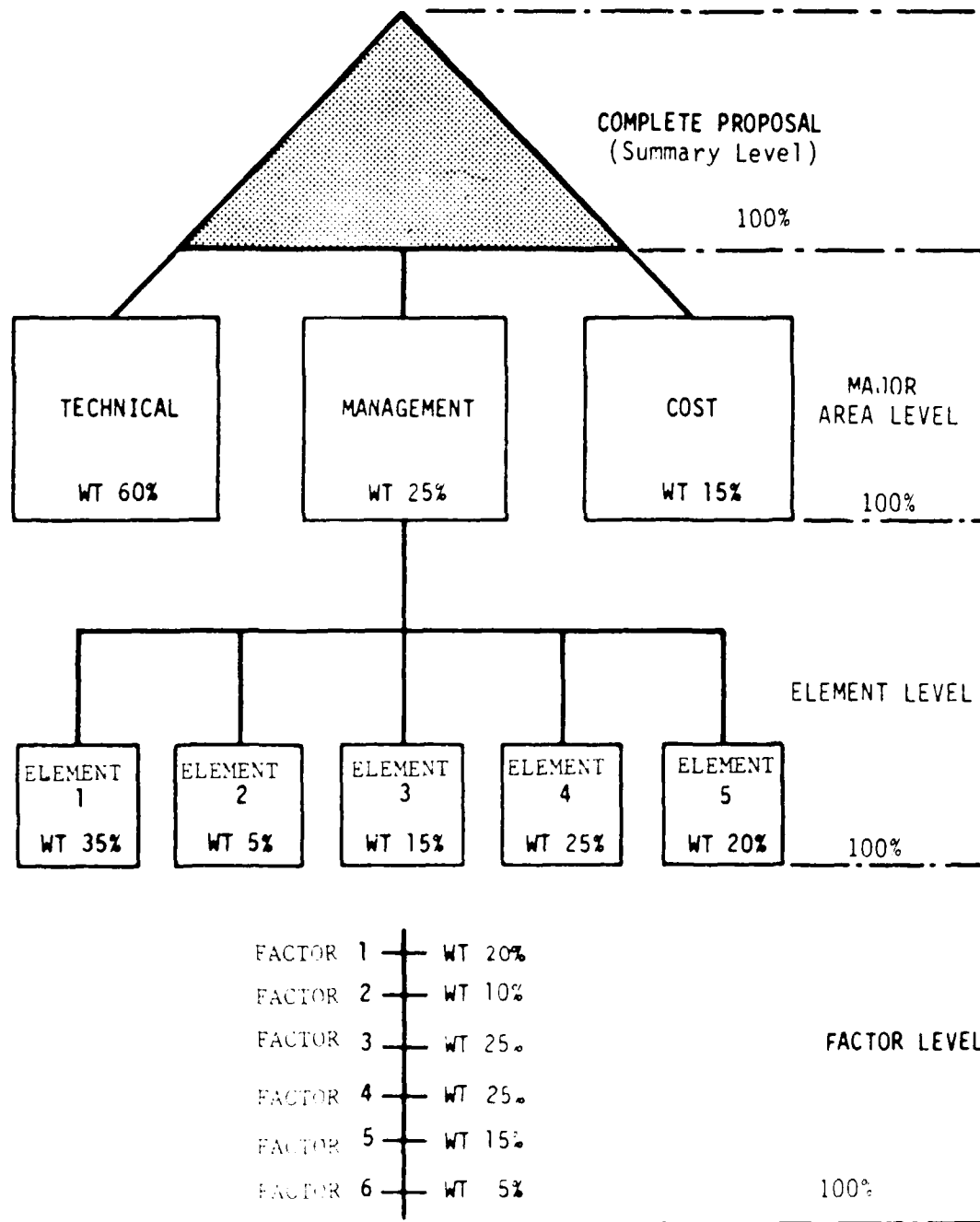


Figure 4-2. Relative Importance Matrix

FIGURE 4-3

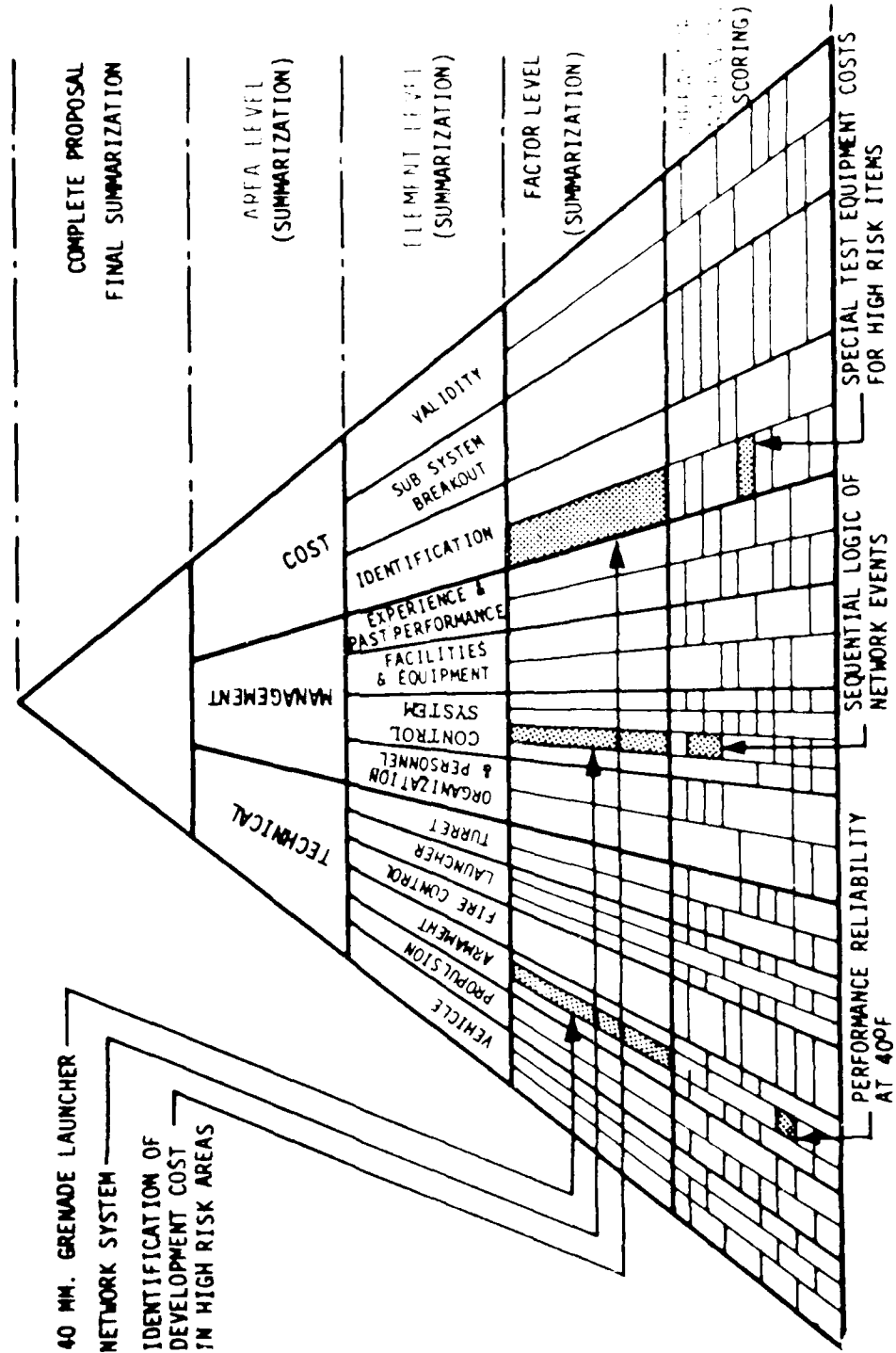


Figure 4-3. Evaluation Criteria Matrix

CHAPTER 5

THE FUNCTION OF THE SOLICITATION IN SOURCE SELECTION

5-1. General.

a. The approved SSP provides the detailed plan for the solicitation of proposals from industry, evaluation, scoring, and the summarization leading to the selection decision. In order to solicit the best proposals possible, a solicitation document must be prepared which will clearly communicate to industry both the Government's needs and the criteria to be used in the evaluation of the resultant proposals.

b. The KO and PM must ensure that the highest degree of clarity and precision is exercised in communicating the Government's needs to industry. Deficiencies or lack of clarity in solicitation documents result in confusion during proposal preparation, proposals unresponsive to the Government's real need, and a multitude of administrative and legal problems for all parties concerned.

c. There are two basic forms on which a proposal may be requested. Standard Form 33, Solicitation, Offer, and Award, is used for proposals where written acceptance by the Government can create a binding contract without further action. When the second form, the Standard Form 18, Request for Quotation (RFQ), is used, the quotation received is not an offer and cannot be accepted by the Government without further negotiation. Although either form of solicitation may be used, this pamphlet will use the expression RFP to reflect the solicitation document.

5-2. The Nature of the RFP. The RFP is a solicitation by the Government of offers from industry to provide a system, equipment, supplies, or services under a contract to be awarded using the process of negotiation. The RFP is a comprehensive expression to industry of the requirements and intentions of the Government in an impending acquisition. It is a document of the utmost importance, not only for the process of proposed evaluation and selection, but for the post-award administration of the contract that is to follow. During the pre-award phase, it sets the stage and lays the ground rules for competition between the offerors. The quality of the RFP ensures that proposals address the Government's objectives. Once a contract has been awarded, the Statement of Work (SOW) and other conditions cited in the RFP as modified by negotiation are reflected in the contract document. Thereafter, the contract becomes the instrument that ultimately controls the relationship between the parties and prescribes the work to be accomplished. Its discipline and standards permeate all aspects of the contractor's effort.

5-3. Impact of the RFP on evaluation. In evaluation, the quality, scope, and the acceptability of an offeror's proposal dominate the result. The offerors' proposal, in turn, reflects the clarity with which the SOW and evaluation objectives have been expressed in the RFP. Failure to adequately describe the SOW, the critical evaluation criteria, and their relative importance in the RFP could result in the submission of proposals that--

a. Vary in acceptability from the totally unacceptable to the partially acceptable with significant omissions in substantive areas or with complete acceptability on the wrong issues.

b. Contain excessive detail in technical, management, cost, and other areas because the proposer seeks to cover all eventualities due to the lack of definitive guidance.

c. Build in costly contingency allowances to cover alternatives not recognized in the RFP.

d. Do not present the offeror's capabilities in their best light because the offeror had addressed the wrong issues.

e. Do not give reasonable assurance that performance, time, cost, and other objectives will be met.

5-4. Preparation of the RFP.

a. The task of writing, assembling, and correlating the components of the RFP can be a formidable one, depending on the size and complexity of the system being acquired. The expertise of many professions and skills are needed to effectively communicate to industry what the Government needs. The needed scientific and engineering capability comes from the research and development directorate, laboratory, or similar element of the AMC MSC. The other functional directorates and staff elements may be expected to furnish the logistic, quality assurance, management, costing, legal, and contract specialists. The representatives of the aforementioned organizational elements participate as members of the RFP preparation team.

b. The SSAC with the concurrence of the SSA establishes the relative importance of the evaluation criteria in a form to be used in the RFP. The SSAC should review and the SSA should approve the RFP before its issuance to assure that--

(1) It is compatible with the SSP objectives.

(2) All the data necessary for source selection is included and that unneeded data is eliminated.

(3) The component parts of the RFP are compatible, clear, and concise.

c. Key members of the SSEB, e.g., committee chairpersons or group chiefs, should participate in reviewing the draft of the RFP. This would permit the SSEB to influence the format and content of the RFP and should result in more efficient evaluations. It also assures an interrelationship and flow of requirements between the SOW, the SSP, the RFP Section L (Instructions, Conditions, and Notice to Offerors or Quoters), Section M (Evaluations Factors for Award), and the resulting proposals. It is suggested that a matrix document be developed to depict the flow of requirements to assure compatibility, consistency, and prevent omissions.

d. Each review of RFP should include a review and comparison with all available key plans and strategies to ensure consistency, accuracy, and completeness. The review should also challenge military specifications and standards, overstated requirements, and unnecessary data.

5-5. Timing.

a. Work on the preparation of an RFP should begin at the time the decision is made to use formal source selection procedures. Preliminary planning of the RFP should and often does precede the actual drafting of the basic solicitation document.

b. It is important that there be coordination and synchronization between the SSP and RFP efforts. The relative importance of evaluation criteria, as well as the other basic tenets of the SSP, should be firm and available to the RFP preparation team before it proceeds with the composition of the RFP.

c. The drafting of the RFP should start long before it is issued since the detail needed in the specifications, SOW, etc., requires a substantial investment of effort. The premature release of the RFP in an attempt to save time tends to result in an actual loss of time when amendments and additions to the RFP are required to cover areas subsequently found essential in the evaluation.

5-6. The role of the SSP. The RFP may be considered to be the detailed breakout and definition of criteria which will ultimately be used in the selection of the successful offeror. The RFP is the servant of the SSP; that is, the manner in which the Government's requirements are presented to the industry are derived from the rationale of the selection expressed in the SSP. The evaluation structure depicted in the SSP should be reflected in the RFP so that proposals permit a ready comparison with the evaluation criteria and because the source selection decision must be made per the evaluation criteria cited in the RFP.

5-7. The composition of the RFP.

a. The content of RFPs used in research and development, as well as production contracts for Army systems and equipment, are characterized by a wide diversity due to the variety of acquisitions. There is a measure of uniformity and commonality of substance that comes from the elements of information listed for inclusion in an RFP per FAR/DFARS/AFARS Subparts 15.4.

b. The interface between the SSP, what the Government needs, the terms and conditions, and other elements of the RFP is of the utmost importance.

5-8. Functions of the RFP. The selection objectives are best served when the RFP:

a. Effectively communicates the Government's requirements and intentions to the industry.

b. Elicits proposals of optimum acceptability and quality.

c. Indices proposals in such format and size that they can be readily broken out and used by the evaluators.

d. Discourages proposals from firms not qualified to do the work.

5-9. Scope of Work.

a. The SOW is defined as that part of the RFP that describes the system, equipment, or item to be acquired, i.e., the work to be done and the methods by which the Government determines that its requirements have been met. The SOW or specifications are the heart of the RFP. Specifications are used when there is sufficient data to clearly and accurately describe the equipment, item, or service being acquired.

b. One of the best means of focusing attention on critical requirements is to state, describe, and diagram mission profiles. These profiles should cover both the primary and secondary missions and the critical performance requirements of each subsystem of the weapon system, beginning with the pre-mission preparation and ending with post-mission requirements for returning the system and its crew to a follow-on mission. A mission profile or scenario is an excellent means of identifying interfaces of men and equipment. The SOW describes the system, equipment, or item to be acquired. Whenever possible, performance requirements should be stated in quantitative terms or measurable parameters, such as speed, range, thrust, reliability, circular error probability, etc. They should also be expressed in such terms that their achievement is susceptible to proof during the test. Although design requirements should not be specified to the degree of unnecessary restrictiveness, significant design constraints such as weight or size should be clearly spelled out so that the achievement of objectives by the contractor is not left in doubt. Operability requirements, i.e., those performance requirements which are general measures of the efficiency of the system or equipment, as viewed by the ultimate user, must be specified. These include RAM, MANPRINT, and ILS. The responses of the offerors to these requirements facilitate meaningful evaluation.

5-10. Testing and quality assurance requirements. Clarity of definition is indispensable in describing the technical work to be performed, and it is equally important that the methods by which performance is measured be expressed without ambiguity. It must be clear to both parties exactly what is meant by the requirement and how it will be measured to determine whether or not it has been met. Both the Army and the offeror must agree on the tests that will be used to determine final acceptance values. The offeror's response to the testing requirements stated in the RFP is of special interest to the evaluators. The steps to be taken by the offeror to assure conformance of the end item to Government quality requirements throughout its life cycle requires detailed description.

5-11. Data requirements.

a. The basic purpose of this part of the solicitation document is to specify data requirements in sufficient detail to enable the offeror to understand the amount and kind of data that is being required so that an estimated price may be provided for each item. For this purpose the use of the Contract Data Requirements List (DD Form 1423) is mandatory and constitutes the only list in the RFP setting forth the amount and kinds of data to be required. Offerors should be requested in the RFP to clearly identify data by using a restrictive legend for which they will grant only limited rights.

b. The solicitation will include Selected Acquisition Information and Management Systems (SAIMS) requirements in accordance with AR 37-200, Selected Acquisition Information and Management System (SAIMS). Additional requirements shall be applied only if they are listed in DODD 5000.19-L, Volume II, Acquisition Management Systems and Data Requirements Control List. All such requirements should be fully justified.

5-12. Evaluation Criteria.

a. The RFP explains to prospective offerors the criteria used in evaluation and their relative importance. This information affects the acceptability of the proposal submissions. Offerors are especially interested in the qualification, critical, and discriminating criteria which are explained in appendix D.

b. A method to evaluate the proposals must be placed in the RFP Section M (Evaluation Factors for Award). Examples are provided in appendix I. A technique that may be used is to require the offerors to contain a section in the proposal to provide the assessment of technical, cost, and schedule risk of the proposal.

5-13. Controlling format and size of proposal.

a. Proposals of great size often entail considerable extra effort on the part of the offeror to prepare them and on the part of the Government to evaluate them. While offerors' responses are expected to be comprehensive and show the approaches and capabilities in their best light, excess volume, detail, and brochuremanship do not serve the best interests of either party. Too much information, information of the wrong kind, and information in the wrong place detract from the ability of Government evaluators to identify and appraise what is really significant. Misunderstanding and needless expense is avoided if the RFP tells prospective offerors what is and what is not important and how the proposals should be prepared to permit efficient evaluation.

b. It is by the selection and presentation of the criteria in the RFP that the Government tells the offeror what should be stressed. Explicit instructions on the format and size and the implicit guidance contained in the organization and layout of the RFP indicate to the offeror what the Government would like to see in the proposal.

c. The size of the proposal is primarily governed by the restraint exercised by the RFP in the amount of detail desired and the listing of the requirements to which offerors must respond. Striking the right balance between what the Government must have and what would be nice to have and what is not needed is a continuing challenge to the RFP preparation team. To manage this problem the RFP preparation team should--

(1) Screen all technical and management data requirements to be included in the RFP.

(2) Identify those requirements for which it is sufficient to merely have an indication (without elaboration) that the proposal complies with established standards.

(3) Limit the size of proposals or at least specific portions (volumes, sections, SOW paragraphs, etc.) of these. Where a decision is made to limit the number of pages, the RFP should state the size of the print and the method to be used in numbering pages. If this is not spelled out, someone could reduce the size of the print to get more on a page and, by using such devices as pages 1a through 1z, they could gain an unfair advantage over a competitor. This approach requires great caution to assure that the receipt of needed information is not precluded by artificial restrictions.

(4) Eliminate unneeded technical provisions. DODD 5000.43, Acquisition Streamlining, gives specific instructions in this area.

d. Implicit guidance concerning the size of proposals is needed because the language of the RFP may convey the impression to the offeror that a detailed proposal is wanted. This may create an atmosphere in which offerors elaborate in great detail on unimportant matters to assure not to damage their competitive position. This atmosphere may be avoided by carefully designed RFPs which specify precisely what is needed. Generalized requirements such as these should be avoided:

(1) Provide a copy of the company's manual describing management-employee and management-subassociate contractor policies, a management-labor contract status report, and indicate past five-year record of technical and skilled labor turnover and labor incidents.

(2) Provide a suitable plan for integration of this project into overall plant and facilities without creating competition for facilities between this project and other Government projects.

e. Instructions in the RFP as to how the proposals should be organized and arranged for submission should be consistent in every case with the evaluation criteria structure cited in Section M of the RFP. Their purpose is to control the magnitude of the proposal preparation and evaluation tasks. Normally, the RFP should require the use of--

(1) The work breakdown structure to the level of indenture at which the scoring is to be done.

(2) Major divisions in the proposal that permit easy breakout for use by the major committees and subcommittees of the SSEB (e.g., technical, management, logistic, cost, etc.).

(3) Graphical presentations, illustrations, tabulations abstracts, and summaries where communication can be improved and narrative exposition avoided at reasonable expense.

(4) Separate volumes for the major divisions or parts of a proposal where the anticipated size of the overall submission warrants it. Appendix J provides an example of past performance data to be included in the management volume of a proposal, the T800-XXX-800 engine instructions for proposal preparation, and one example from the Air Force of proposal instructions on past performance.

(5) Executive summaries of each proposal that recapitulate its contents would be useful to the SSAC in preparing itself for the review of

SSEB findings. Such summaries might include the work breakdown structure, a synopsis of the system description, the major features of each submission, and their advantage to the Government if the proposal were selected.

(6) A common numbering system for paragraphs and subparagraphs in the competing proposals to permit ease of access, breakout, and cross-reference to proposal analyses.

(7) A glossary of abbreviations, acronyms, and definitions of uncommon terms.

5-14. Development of potential sources. The Government is interested and anxious to have proposals from firms qualified to do its work. The introduction of proposals into the source evaluation process from firms not qualified to do the work places an unnecessary stress on Government resources. Sound acquisition planning discourages proposal preparation by firms whose likelihood of selection is virtually nonexistent. Some useful methods for doing this are discussed in the following paragraphs.

5-15. Advance notices. Advance notices in the Commerce Business Daily (CBD) per FAR 5.205 are used to develop or identify interested sources for research and development. The notice can identify interested sources and request preliminary information. Information requested should be as explicit as possible. This information can include past and present experience regarding management engineering and production capability, logistics support, and financial status.

5-16. Draft RFPs (DRFPs). The source list developed through the use of in-house Government data and the results of the advance notice in the CBD can be used to issue a DRFP. The use of DRFPs is encouraged by DODD 4105.62, paragraph E.3.h. and is further discussed in AFARS 15.404-90 and AMC FAR SUP 15.404-100. The DRFPs can be used to identify cost driver and problem areas and request alternate approaches from industry. It permits industry to start work on the problem and point out areas where further acquisition streamlining steps can be taken. The DRFPs should contain as much as information as possible that reflects the RFP that will be formally issued at a later date.

5-17. Presolicitation and preproposal conferences.

a. The effectiveness of the Government's acquisition undertaking depends heavily on the adequacy of the information exchange and understanding at the outset and throughout the life of the ensuing contract. This exchange takes many forms of which the RFP and proposals are the most important. There are other significant exchanges that take place during the selection process that collectively afford more opportunities to the Government for explaining what it wants; for example, the presolicitation and preproposal conferences. There are many opportunities for misunderstanding between the Government and offerors when weapons and other systems of unusual complexity are being acquired. Often the methods of buying such end items is complicated and although the language in the RFP describes what the Government needs, it can be misinterpreted, no matter how carefully it is drafted. To minimize the chances of misunderstanding, the Government frequently convenes conferences of potential offerors at which the SOW and specifications are explained. When the conference is convened before the solicitation instrument is issued, it is called a presolicitation conference. When the conference is held after the

solicitation has been issued, but before proposals are submitted to the Government, it is called a preproposal conference. These meetings have the advantage of permitting industry an opportunity to gain a better understanding of the objectives of the acquisition and the way it will be conducted.

b. The presolicitation conference is normally announced by a presolicitation notice which is issued to all known offerors requesting an expression of interest from them in the contemplated procurement by a designated time. It may also ask for information relative to their engineering, production, and management capabilities. The presolicitation conference has the following advantages:

- (1) Provide background information to offerors as to what has been accomplished to date in the development of the system or equipment and its present state of technology, technical feasibility, and producibility.
- (2) Inform industry of the nature and size of the acquisition, thereby enlarging the opportunities to obtain competition.
- (3) Disseminate reliable information to industry as to the objectives of the Government in the acquisition to be initiated.
- (4) Afford the Government additional insights into offeror's thinking, thus enabling it to prepare a more incisive solicitation document.
- (5) Permit interested offerors the opportunity to do the advance planning necessary for submitting a meaningful proposal and to arrange their internal affairs to mount a successful efforts.
- (6) Assist offerors to decide whether or not to undertake the effort and expense required to prepare and submit a proposal.

c. The preproposal conference must be preceded by adequate notice to all recipients of the solicitation advising them of the time, place, purpose, and scope of the proposed conference. Preproposal conferees must be advised that nothing that is said in the conference will qualify or modify the terms of the solicitation document unless it is formally amended in writing per FAR 15.409(c). The notice may well include an invitation to submit relevant questions in advance for inclusion in the agenda. The preproposal conference has the following advantages:

- (1) Give the Government an opportunity to clarify complicated work statements or specifications by the use of models, graphic displays, narrative explanations, and answers to questions.
- (2) Afford the Government an opportunity to identify ambiguities, errors, and omissions in the solicitation document that can be later corrected by a written amendment.
- (3) Allow the Government an opportunity to resolve any questions on the criteria to be used to evaluate the proposals.
- (4) Provide the prospective offerors further insight into the size and complexity of the acquisition, as well as its attendant risks, before making their final decisions to submit proposals.

(5) Provide the opportunity for offerors to ask questions after examining the solicitation document.

d. The conference itself (whether presolicitation or preproposal) is conducted by the KO or a designated representative. The KO is assisted by engineers, legal counsel, and others as needed. When the system or equipment to be acquired is project managed, PMs and their staff play a important role in collaboration with the KO.

e. The conference site should be selected at that Government installation where the most expertise on the weapon or equipment being acquired is available. At these Government installations, prototypes, charts, and other devices to clarify the technical aspects of the hardware are available and usually the conference can be held with least travel and other expense to the Government.

f. The KO has the responsibility to ensure that the objectives of the acquisition, as reflected in the Acquisition Plan and in the guidance given by the SSA, are adequately covered in the presentations prepared for the conference. The KO should also--

(1) Prepare an agenda that assures that only meaningful topics are presented by the most competent individuals available within pre-set, but reasonable, time limits.

(2) Make certain that every offeror has an opportunity to ask questions and that everyone who asks a question gets an answer.

(3) Determine the controls that should be placed on Government questions and answers. Some of these controls could be--

(a) Whether questions from offerors should be oral or written.

(b) Whether Government answers should be given only by selected individuals or only after approval by the KO or designee.

(4) Assure that the meeting room is properly prepared for the maximum number of conferees invited, and equipped with all the needed audio-visual aids, amplification, lighting, and reading devices.

(5) Provide for the needed security safeguards if the procurement or any aspect of what is to be discussed is classified.

(6) Assure that a complete record of the conference proceedings is made including questions and answers.

(7) Determine whether or not a distribution of the record to the attendees is practical, keeping in mind that all prospective offerors must be furnished identical information.

5-18. The right to propose. The Government must furnish the solicitation to any organization that requests a copy. FAR 5.102(a)(6) permits the collection of a fee, not exceeding the actual cost of duplications, for a copy of the solicitation documents.

CHAPTER 6

PROPOSAL EVALUATION AND THE SOURCE SELECTION DECISION

6-1. Essentials of the evaluation process.

a. The purpose of this chapter is to list and describe some of the tasks that must be accomplished during the evaluation. It is at this critical stage of the selection process that the effectiveness of prior planning will become apparent.

b. The proposal evaluation is to be conducted in a fair, comprehensive, and impartial manner.

c. The component tasks of the evaluation effort vary in number, content, and sequence with each source selection. The following discussion describes some of the typical tasks in a source selection from the receipt of the proposals to the announcement of the decisions by the SSA.

6-2. Receipt and breakout of proposals. The SSEB chairperson, committee chairpersons, or other key members should review the proposals upon receipt to ascertain whether or not they can be readily broken out for immediate use by the working committees. In the event they cannot, it may be necessary to issue to each SSEB committee additional copies marked or annotated to indicate the areas of interest for each of the committees.

6-3. Familiarization.

a. Members of the SSEB should become familiar with the content of the RFP before actual evaluation begins. In this way, they acquire knowledge of what will be required of the offerors in the proposals themselves.

b. Prior to the receipt of proposals, each evaluator should be required to read those portions of the SOW and other requirements of the RFP that pertain to the element or factor in the proposal that the evaluator will be expected to appraise. This review should preferably begin at least a month prior to the scheduled date the proposals are scheduled to be received.

c. The SSEB should be convened at least seven days before the proposals are received. During this time the SSP, criteria, and scoring methods should be discussed in detail and the questions of the evaluators, arising out of their prior study of the RFP answered. This prepares the evaluators to begin work immediately upon receipt of the proposals.

d. The first order of business, after the receipt and breakout of proposals, should be familiarization with the content of all submissions. The SSEB chairperson, deputies, committee chiefs, and other key personnel, should explore the entire proposal from each contractor. It is necessary to get an overview of where everything is located and to identify key interfaces between the technical, cost, management, and other component packages. The evaluators also need sufficient time to absorb everything that is said in the proposal about the element, factor, subfactor, etc., which they are assigned to evaluate. For all elements there must be time for mutual discussion of all aspects of the proposals before formal evaluation begins.

e. Evaluators are expected to have the necessary expertise to evaluate the particular area of the proposal to which they are assigned. The committee and subcommittee chairpersons should periodically assess the level of knowledge possessed by the individual members throughout the evaluation process. This could be accomplished by a limited number of scheduled group meetings, most of which should take place at the outset of the evaluation effort. In addition to raising the information level of all members, such meetings permit committee executives to observe progress in the evaluation effort and to identify gaps and lagging areas on a timely basis. Variations in the interpretation and application of criteria should be revealed in discussions between evaluators, and where criteria has not been properly defined, timely corrective action should be taken. If numerical scores are used, the evaluators should not suggest or disclose numerical scores during such meetings.

f. The SSEB chairperson should establish some form of inter-area or intercommittee coordination effort. This need not be elaborate, but there should be a comparatively simple mechanism for prompt recognition of representations made by offerors that will have an impact on the evaluation work of more than one area. Meetings of committee or subcommittee chairpersons for the purpose of coordination should be held as required.

6-4. Offerors' video presentation.

a. The SSAC should determine whether it desires video presentations by the offerors.

b. The video presentations should be viewed before commencement of evaluation of proposals to provide the SSAC and SSEB with an overview of the entire proposal before the evaluation of its specific parts.

c. If video presentations are required, they should be provided by each competitor in order that no offeror will have a competitive advantage. To eliminate bias and to ensure objectivity during the evaluation process, all participants in the evaluation should make themselves available for all video presentations or alternatively to none of the presentations.

d. The use of video presentations negates the need for oral presentation. Video presentations are important to assure that the membership of the SSAC is not revealed to the offerors and to record what was presented by what offeror.

6-5. Technical evaluation.

a. The SSEB accomplishes the initial technical evaluation through an analysis of each proposal with respect to the standards established before the receipt of proposals. Technical evaluations should be conducted independent of price or cost proposals. It is the responsibility of the SSEB chairperson to make sure that the evaluation is a coordinated effort and that the evaluation report on each offeror is consistent and rational.

b. Evaluators should score each proposal and indicate its worth in relation to the standards. Evaluators are expected to understand the SOW, the RFP, the evaluation criteria, and the evaluation standards. They also should be well-versed in their fields. When it is necessary to verify certain

aspects of proposals outside their technical skill, evaluators are encouraged to engage in discussions with advisors or other SSEB members.

c. Preparation of the results of the evaluation in narrative form is a very important aspect of the evaluation process. In preparation of the narrative which communicates the evaluator's findings, the evaluator should be aware that the narrative will be the principal means available to the SSAC to perform a comparative analysis. The evaluator should indicate in the narrative, as a minimum: what is offered; whether it meets or fails to meet the standard; any advantages, disadvantages or risks and their significance; what, in the evaluator's opinion, may be done to remedy a deficiency; and what impact (including technical, schedule, and cost risk) the correction of the deficiency will have on the offerors' overall ability to perform. Clarity and brevity are the keys to successfully prepared narratives.

d. Cases arise in which an evaluation group cannot agree on the evaluation result. In such an event the evaluation group should ensure that none of the evaluators have misinterpreted or misunderstood any aspect of the proposal evaluation. If the result is still a significant difference of opinion between members of the evaluation group a minority opinion should be issued. This technique will provide the SSAC and SSA the tools to develop an overall assessment of the offerors' proposals. Minority opinions should be made part of the SSEB report to the SSAC.

e. Four distinct products should be required from the evaluators to be included in the evaluation report: ratings, narrative assessments, deficiency reports, and clarification requests.

6-6. Cost or price evaluation.

a. The purpose of cost evaluation is to determine whether each offerors' proposed costs are realistic in relation to the RFP and the technical proposal. The purpose of price evaluation is to determine the magnitude of the offerors' prices in relation to the RFP and the technical proposal and to provide an assessment of the reasonableness of the proposed price.

b. Offerors' price or cost proposals should not be made available to technical evaluators. Price or cost evaluators, however, should discuss the details of technical proposals with the technical evaluators to aid in their evaluation of costs associated with labor categories and hours, materials, manufacturing processes, and other elements of cost. Price or cost evaluators should also use DCAA Audit Reports and the Contract Administration Office Field Price Analysis Reports.

c. In addition to cost or price analysis, further measurement of cost or price reasonableness and realism should be made. This can be accomplished by comparing the Independent Government Estimates (IGE) with the proposed cost or price after considering the risk associated with the technical approach and the disposition of deficiencies.

d. Evaluation of the cost or price realism of each proposal should be made without regard to the fact that the proposed contract may provide a ceiling on the Government's obligation.

e. Consideration should be given to variations in amount of Government-furnished property (GFP) requested or the use of Government-owned facilities and tooling, and all other disparities before the offerors' proposals can be equitably evaluated.

f. The cost team should initiate and maintain a cost track to facilitate an understanding of the changes leading to the final cost or price.

g. Following completion of the cost or price evaluation, the SSAC should be provided the cost team's findings as to the reasonableness and realism of each offeror's proposal. If a proposal is determined to be unrealistic or unreasonable, the reasons for this conclusion should be stated.

6-7. Initial Screening.

a. It is pointless to proceed with a detailed evaluation and scoring of proposal features which are based on representations of doubtful validity. These features should be identified before detailed evaluation begins. If they are scored without confirmation, serious distortions can creep into the evaluation results.

b. Statements in proposal may be promissory in character and require confirmation by comparison with other factual data available within the Government. To validate these assertions, the services of pre-award survey teams, auditors, and Government plant representatives should be utilized. The representations of offerors are also tested in the critical first reading by the SSEB members who are expected to use their experience, knowledge, and background to determine whether or not they are feasible, logical, and reasonable.

c. The initial screening should ascertain that each offeror has submitted the information required in the format specified and that the offeror has not omitted or declined to submit essential items.

d. Another form of screening found useful is to cross-check major features in the technical proposal with related items in the cost proposal, management proposal, or time schedule. For example, a clue to the soundness of a technical prediction can often be obtained from an analysis of the related cost or schedule proposals. When significant deficiencies are uncovered in the technical proposal, inadequacies in the cost, management, and other proposal components may be revealed. This interchange between SSEB committees and their subgroups is part of the initial validation exercise and should be continued throughout the evaluation process to assure that interrelationships are promptly identified and the SSEB findings reflect their recognition.

6-8. Deficiency reporting.

a. During the initial evaluation of proposals, the SSEB should record separately and in addition to the narrative analysis, the deficiencies found in each offeror's proposal. It is important that deficiency reports be prepared at the time the deficiency is discovered. Late preparation often results in poorly substantiated reports. It is important that the evaluator document the effect the uncorrected deficiency would have on the program. A copy of the deficiency reports should be provided to the KO who will in turn provide the offerors with the opportunity to amend their proposals to correct

the deficiency. Deficiency reports should not be sent nor discussions begin with the offeror before the initial competitive range determination.

b. For the purposes of source selection actions, a deficiency is defined as any part of an offeror's proposal which when compared to the pertinent standard fails to meet the Government's minimum requirements established in the RFP. Examples include:

- (1) A proposed approach which poses an unacceptable risk.
- (2) Omission of data which makes it impossible to assess compliance with the standard for that requirement.
- (3) An approach taken by an offeror in the design of its system which yields a undesirable performance.
- (4) Failure to meet the Government's minimum requirements for the solicitation.

c. It is stressed that identified deficiencies shall be derived from the evaluation of each offeror's proposal against the evaluation standard, that is, the Government's minimum requirements for the RFP. Deficiencies should not be derived from a comparative evaluation of the relative advantages and disadvantages of competing offerors' proposals.

d. Due to the number and variety of deficiencies that are likely to be encountered while reviewing proposals in the typical source selection, an orderly method for their identification, description, and reporting to the KO should be developed.

e. The response of the offeror as a result of the deficiency report is as important as the original proposal. The KO should give all deficiency reports to all offerors in standardized text and format, permit oral discussion, and set a date for the submission of revised proposals.

f. Strengths and weaknesses above the minimum may be identified for negotiation.

g. The deficiency report, which is part of the overall SSEB evaluation report provided to the SSAC, should address all changes which have an impact on the original proposal.

h. The deficiency report may serve as a guide for debriefing unsuccessful offerors after contract award, when requested.

6.9. Clarification requests. Evaluators should identify those aspects of the proposal which require clarification. Clarification are minor irregularities, informalities, or apparent clerical mistakes in the proposal. Clarifications include: a mistake in a calculation or measurement; a minor misconception of what is needed; a proposed approach or solution that is not adequately substantiated; and contradictory statements. Clarification requests should specifically identify the aspect of the offeror's proposal for which clarification is required. Copies of clarification requests should be sent to the KO and submitted to the offerors in the same ways as deficiencies.

6-10. Scoring.

a. Examining each proposal in detail to evaluate the predetermined areas, elements, and factors against the established standards and assigning a score, numerical, or otherwise and the supporting narrative constitutes the core of the evaluation process. The effectiveness of prior planning and preparation becomes apparent at this critical stage of the source selection. It is here that the scoring methods discussed in appendix G may be used.

b. Because numerical scores or other types of grading may not convey fully the individual evaluators' judgment of some aspects of the proposal, each evaluator should supplement scores with a concise narrative evaluation which includes discussion and interpretation of the limitations of the scoring. The narrative serves the following additional purposes:

(1) It records what the proposal offered and how it met the established criteria.

(2) It summarizes the advantages and disadvantages of what the offeror has proposed and explains the benefits and risks to the Governments.

(3) In instances where the offeror has failed to meet a critical requirement, the evaluator gives a professional judgment as to what should be done to remedy the deficiency and what the impact of the deficiency (corrected or uncorrected) is on the overall proposal.

6-11. Determination of competitive range.

a. By law (10 U.S.C. 2305(b)(iv)(B)) written or oral discussions in negotiated procurements must be conducted with all responsible offerors who submit proposals within a competitive range. The determination as to which proposals are not in the competitive range and the exclusion of offerors either before or as a result of written or oral discussions will be made by the KO, subject to the approval of the SSA. The SSA may designate the SSAC chairperson to accomplish this approval function.

b. The competitive range must be determined after evaluation of all proposals received on the basis of the evaluation criteria cited in the RFP. The competitive range must include all proposals which have a reasonable chance of being selected. The objective is not to eliminate proposals from the competitive range, but to facilitate competition by conducting written and oral discussions with all offerors who have a reasonable chance of being selected for an award.

c. A proposal may be considered outside the competitive range if--

(1) It does not reasonably address the essential requirements of the solicitation.

(2) A substantial technical drawback is apparent in the proposal and sufficient correction or improvement to consider the proposal further would require virtually an entirely new technical proposal.

(3) The proposal contains major technical or business deficiencies or omissions or out-of-line costs, which initial or continuing discussions with

the offeror could not reasonably be expected to cure. Before elimination of an offeror from the competitive range based on unrealistic costs or prices, it will be necessary to the extent possible, without discussions with the offeror, to determine the reason for the out-of-line costs or prices. For example, the costs might be attributable to a unique design approach, a technical breakthrough or an accelerated delivery. These may be legitimate reasons for the apparent out-of-line costs or prices.

d. Where there is doubt as to whether a proposal is or is not within the competitive range, that doubt must be resolved by considering the proposal as being within the competitive range. The determination of competitive range is based on informed judgment and is complex in nature. All such decisions must be completely and adequately documented for the record.

6-12. Conducting written or oral discussions.

a. Discussions with the offerors for the purpose of correcting clarifications and deficiencies in their proposals are conducted by the KO. The KO is assisted by such technical advisors as required. The KO is the only point of contact between the SSEB and the offeror submitting a proposal. The KO should negotiate definitive contracts with all offerors determined to be within the competitive range.

b. All offerors determined to be in the competitive range and selected to participate in oral and written discussions must be advised of any deficiencies in their proposal and offered a reasonable opportunity to correct or resolve the deficiencies. Offerors must submit such price or cost, technical, or other proposal revisions as may result from the discussions. Discussions with each offeror in the competitive range must be confined exclusively to the offeror's proposal and items identified for negotiation relative to the RFP requirements. Discussions must be conducted in a way that scrupulously avoids disclosure of the relative advantages or disadvantages of competing offerors, technical information or ideas, or cost data from any other offeror's proposal.

c. In discussions with the offeror, the KO and advisors are basically motivated to obtain enough information to fill in the gaps and remedy errors to make an otherwise promising proposal acceptable. Their purpose is not to rearrange the technical order of merit or relative standings among competing offerors. It is necessary for them--

(1) To point out the areas of clarification or deficiency rather than to suggest right answers.

(2) Not to reveal the contents, proprietary or otherwise, of another competitor's proposal.

(3) To assure that any new information imparted to one offeror is made available to all.

(4) Not to engage in technical leveling, technical transfusion or auction techniques as described in FAR 15.6101(c).

6-13. Best and final offers (BAFO).

a. At the end of negotiations, all offerors remaining in the competitive range are provided one final opportunity to submit revisions which must be received by a common cutoff date and time. This last opportunity for revision is known as the BAFO per FAR 15.611.

b. All the offerors still within the competitive range shall be specifically advised in writing that discussions have been concluded; BAFO are being called for and not merely confirmation of proposals; and the cutoff date and time for receipt of BAFO.

c. To facilitate the evaluation of BAFO's offerors should be requested to clearly identify any changes from the earlier proposal included in a BAFO.

d. Any revision to a proposal received after the established final common cut-off date be handled as "late" in accordance with FAR 15.412.

e. The normal revision of proposals by selected offerors occurring during the conduct of discussions with such offerors before the final common cut-off date are to be considered or treated as "late proposals" or "late modifications" per FAR 52.215-10.

f. After receipt of the BAFO, the KO should not reopen discussions unless it is clearly in the Government's interest to do so. If discussions are reopened, the KO shall issue an additional request for BAFO to all offerors still within the competitive range.

6-14. Final evaluation by the SSEB.

a. When the modifications to proposals, purporting to correct clarifications and deficiencies are returned to the SSEB, those portions of the original proposal affected require reevaluation and rescoring. New scores for the entire proposal are then computed and the relative standing of the competitors is determined again.

b. The before and after scores and the reasons for differences require careful analysis and documentation by the SSEB. A summary of the difference should be given to the SSAC in both tabular and narrative form.

c. If the relative standing of the competing offerors has changed due to the modified proposals, the SSAC may wish to evaluate the supporting rationale and have the SSAC's proposal analysis reflect its judgment as to which amended proposal is most advantageous to the Government.

d. In the case where the modified proposal fails to remedy a substantial deficiency in what was otherwise a marginal proposal, the KO may have sufficient evidence to determine it technically unacceptable. If the SSAC also concurs in this conclusion, after clearance with the SSA, the KO should be promptly advised, and the decision documented.

6-15. The SSEB evaluation report and presentation.

a. After the evaluation teams have completed their evaluation of the BAFOs, the SSEB chairperson compiles and presents the SSEB's overall evaluation results to the SSAC in two forms:

- (1) A written report.
- (2) An oral presentation.

This report and presentation must convey to the SSAC the results and significant points of the SSEB evaluation.

b. The written report and presentation should be a detailed narrative assessment of the evaluation that includes the following:

- (1) Narrative assessments should be included for the highest level evaluated and may be included for lower levels as necessary.
- (2) Each assessment should be precise and highlight the advantages, disadvantages, and risks of each evaluated aspect of the proposal.
- (3) The SSEB report should include a section on contractual considerations.
- (4) There should be separate sections covering the evaluation of cost and the overall risk analysis.

c. The objective of the report is to present an evaluation of each proposal against solicitation requirements based on established evaluation criteria and standards.

d. The SSEB should also prepare a summary of the written report to include significant findings of the evaluation. The SSAC is expected to review and analyze the report and provide any additional inputs to the SSA. The SSEB summary report becomes a permanent part of the SSAC Analysis Report.

e. The writing of the report should begin early in the SSEB deliberations so that it is ready for release to the SSAC when the evaluation is completed.

6-16. Preparing the proposal analysis.

a. The proposal analysis is meant to be a brief formal document appraising the merits and shortcomings of each proposal. It is a summary of the SSEB report to which the judgments of the SSAC are added. The proposal analysis is prepared under the direction of the SSAC. This document should clearly communicate the collective judgment of the SSAC to the SSA. This is particularly important when numerically rated proposals appear to be comparatively close. The format of the proposal analysis varies with the requirements of each source selection. All proposal analyses should include--

- (1) The evaluation summaries for each proposal, major advantages, disadvantages, and risks to the Government in what the offeror is proposing to do. This portion of the proposal analysis is derived from the SSEB Report.
- (2) The SSAC's application of weights, scoring, benefit, risk, and sensitivity analyses as well as its narrative judgments on pivotal issues.
- (3) Evidence of an offeror's performance potential contained in the proposal and the Government's records and the offerors' video presentations.

b. The underlying principles guiding the SSAC's proposal analysis are that the negotiation of a contract type and a price are related and should be considered together with the issues of risk and uncertainty to the offeror and to the Government per FAR 15.803(d); and that the primary consideration in awarding a cost-reimbursement contract should be which offeror can perform the contract in a manner most advantageous to the Government, as determined by evaluation of proposals according to established evaluation criteria per FAR 15.605(d). FAR 15.605(c) states that while lowest price or lowest total cost to the Government is a proper deciding factor in many source selections, in certain acquisitions (e.g., cost-reimbursement contract), the Government may select the source whose proposal offers the greatest value to the Government in terms of performance and other factors. To determine the greatest value to the Government, the SSAC should compare the advantages and disadvantages of all non-cost areas of the evaluation to the cost area. The result is a judgmental cost-benefit or best value analysis of competing proposals and a ranking of the same if requested by the SSA. The deliberations of the SSAC should result in a document that supports any differences in price or cost ranking due to differences in technical or other considerations.

c. Appendix K provides an example of an outline of a Proposal Analysis Report to the SSA.

6-17. Briefing the SSA.

a. Following the completion of the proposal analysis, the presentation of the combined SSAC-SSEB findings to the SSA will take place. This is an important part of the source selection process for it is at this point that evaluation and selection merge. The briefing is a summary of a vast array of facts and judgments that have been accumulated during proposal evaluation and analysis. It is important for the briefing officer to define the substantive issues with clarity and candor. Preparation for the decision briefing should begin as early as practical, and the briefing text should be continuously refined.

b. The length of the briefing will vary with the complexity of the acquisition, the number and difficulty of the issues involved, and the amount of time the SSA can give to it in one session. The length of the briefing should be sufficient to permit a presentation of the essential facts and the significant issues. Time should be allocated for the questions or inquiries of the SSA. The SSA briefing should answer the following basic questions:

- (1) What did the RFP ask the offeror to do?
- (2) What are the technical and acquisition objectives of the contract to be awarded?
- (3) What criteria were important in selecting the offeror and why?
- (4) What potential sources were considered?
- (5) How did the SSEB evaluate and the SSAC judge the proposals and the offeror?

(6) What changes in the before and after scores of proposals occurred as a result of negotiations? What substantive issues were developed during negotiations?

(7) What are the findings of the SSAC?

c. All briefings should include, at the outset, a short description of the system or equipment being acquired. The status of the system or equipment from the standpoint of development and suitability for source use, i.e., its type classification, should also be stated in the introductory remarks along with the projected cost and financing of the impending acquisition.

d. The briefing officer is usually the chairperson of the SSAC. While the briefing team should be kept as small as possible, it may include the key members of the SSEB and SSAC. Although elaborate or costly displays are not favored, the use of slides, viewgraphs, and charts to illustrate is to be encouraged to save narrative time.

6-18. The source selection decision.

a. The source selection decision shall not be made on the basis of scores alone. The decision shall be made on the basis of an assessment of the evaluation results as a whole. Judgment, not numbers, is the basis for the source selection decision. The role and importance of cost or price of the instant contract and priced options, if evaluated in making the selection decision, may take one of the following three forms (basis of award):

(1) Lowest priced acceptable offer is evaluated with the addition or subtraction of applicable evaluation factors.

(2) An acceptable offer, the price or cost of which is not the lowest, but which is sufficiently more advantageous than the lowest offer so as to justify the payment of additional amounts.

b. The basis of award shall not differ from that presented in the solicitation.

6-19. The selection decision document. When the SSA has made a choice, the SSAC prepares for the signature of the SSA a document setting forth the decision rationale. The selection statement should be complete in itself (i.e., without cross-referencing and supplementary exhibits) and should cover these basic points:

a. A description of the acquisition.

b. The names of the offerors.

c. The competitive ranking of the offerors.

d. A summation of the advantages, disadvantages, risks, and benefits of each proposal and offeror. The summation should be a separate document without references for each offeror.

e. Reasons why the selected offeror provides the best value to the Government.

f. It is to be noted that the SSA's decision may differ from the SSAC's recommendation. This can happen because judgments based upon the same set of evaluations and analysis when combined with personal experience and business acumen can result in different decisions. The SSA must be assured that the final decision is prudent, rational, good business, in the best interests of the Government, and documented. If the foregoing is done, the Government can expect a favorable ruling from the Comptroller General if the SSA's decision is protested. In the past, the Comptroller General has not overturned an acquisition decision unless such a decision was arbitrary, capricious, in bad faith, or lacked adequate documentation.

6-20. Notifications. The selection decision shall not be announced until any required notification of the Deputy Secretary of Defense per DODD 4105.62, paragraph D.2., and of the appropriate Members of Congress per DFARS and AFARS 5.303. Notifications at DA level normally include the Assistant Secretary of Army (Research, Development, and Acquisition); the Deputy Chief of Staff for Research, Development and Acquisition; and the Under Secretary of the Army. DA and DOD notifications should be concise and informal desk-side discussions.

6-21. Announcement and debriefings.

a. The KO will release to unsuccessful offerors the required information as prescribed in FAR Subpart 15.10.

b. When debriefings are requested they shall be in accordance with FAR 15.1002.

(1) Debriefings will be with only one offeror at a time and will not be conducted until after contract award.

(2) The debriefing must be confined to a discussion of the offeror's proposal and its advantages and disadvantages in relation to the requirements of the RFP. Comparisons should not be made relative to the proposal of other offerors.

(3) No information will be disclosed to an offeror as to the weights or scores assigned.

c. Normally, the debriefings should be conducted by or under the direction of the KO, although the manner in which debriefings are to be handled is discretionary with the SSA. It should be noted that some firms may wish to discuss the outcome at higher levels of authority. Although this should not be encouraged, neither should barriers be placed in their way of getting an explanation from responsible officials.

CHAPTER 7

ACQUISITION STREAMLINING

7-1. Policy.

a. DODD 5000.43 establishes a policy for acquisition streamlining (AS) to ensure that only cost-effective requirements are cited in DOD solicitations and contracts. AS promotes innovative acquisition strategies that will result in the most efficient utilization of resources to meet the DOD needs. AS is based on the concept that by applying pertinent contract requirements and allowing early industry involvement in recommending the most cost-effective solutions, the DOD can reduce the cost and time of system acquisition and life-cycle cost without degrading system effectiveness. AS shall be addressed in source selection planning to ensure that--

(1) The solicitation contains appropriate incentives to encourage contractor involvement in the streamlining process.

(2) Appropriate contractual requirements for contractor efforts to support streamlining are included in prime and subcontracts.

b. AS applies to all Army systems acquisition programs commencing development (Milestone I) on or after October 1, 1985, and programs identified by DA prior to this date to implement AS.

c. To ensure the development of cost-effective contract requirements for acquisition programs, it is Army policy to--

(1) Encourage and motivate acquisition activities and contractors to streamline solicitations and contract requirements. Requirements that are not mandated by law or established DOD policy and that do not contribute to the operational effectiveness and suitability of the system or effective management of its acquisition, operation, or support shall be excluded.

(2) Streamline contract requirements at the onset of development and during each subsequent phase. Avoid premature application of design solutions and premature formulation and enforcement of detailed requirements.

(a) At the onset of development, system-level requirements shall be specified in terms of mission performance, operational effectiveness, and operational suitability. Requirements shall be critically reviewed for pertinence and cost effectiveness prior to inclusion in solicitations.

(b) Early industry involvement, including use of draft solicitations, is highly desirable.

(c) Prior to full-scale development, specifications, standards, and related documents normally shall be cited for guidance only and in the course of contract performance such cited documents shall be evaluated and, if found pertinent and cost effective for the particular acquisition, tailored for contractual applications in full-scale development.

(d) For full-scale development contracts the application of specifications, standards, and related documents shall be limited to documents

specifically cited in the contract as requirements and to specified portions of documents directly referenced therein (first-tier references). All other referenced documents (second-tier and below) shall be for guidance only, unless specifically identified in the contract. (For exceptions, see subparagraph 7-1c(2)(f) below.)

(e) For production contracts, those specifications, standards, and related documents to the tiers identified as the baseline for production shall be contractually applicable for procurement and reprourement purposes. AS shall continue throughout the production phase with emphasis on ensuring that only essential requirements are carried forward into follow-on production contracts.

(f) When there is a decision to use items already developed, such as standard parts and off-the-shelf items, all of the applicable specifications and standards that define the product baseline for those items shall be contract requirements, irrespective of acquisition phase.

(g) During all acquisition phases, solicitations and contracts shall state management requirements in terms of results needed rather than "how-to-manage" procedures for achieving those results. Management data specified shall be the minimum required to satisfy program needs. A contractor's management system, internal procedures, methods, processes, and data product formats shall be used instead of specifying other approaches unless the acquisition activity determines that the contractor's approaches cannot satisfy the program needs.

(h) Contractors shall be required, under the terms of their contract, to provide recommendations for application and tailoring of contract requirements in one phase and for proposed application to the succeeding phase. Implementation of contractor recommendations on contract requirements shall be subject to the approval of the Government PM.

d. The remainder of this chapter will address the application of AS to the aspects of the source selection process discussed in the previous chapters.

7-2. Key personnel and organizations.

a. When the level of the SSA is not designated by policy, the individual at the lowest possible organizational level to maintain the principles of source selection and sound business practices should be appointed. For example, in most acquisitions the KO is the SSA. In such cases the KO shall determine the extent of functional support needed for the source selection decision.

b. SSACs are not required for all acquisitions. When needed the SSAC should be limited to those individuals essential to provide an informed opinion to the SSA. Appointing members with expertise in more than one area of the evaluation may reduce the SSAC membership. Also on-call advisors can be used in lieu of full-time SSAC members.

c. Streamlining can have numerous applications at the SSEB level. Areas, elements, factor, and subfactor committees or teams can be combined. Personnel can be assigned to more than one evaluation group. Whenever

possible one individual should be appointed to handle both technical and administrative matters. Administrative support activities may be consolidated.

7-3. The Source Selection Plan. The SSP can be structured to save the resources of time, money, and personnel. Scoring can be omitted at the factor or the subfactor level. Areas and elements can be scored, if critical. Non-critical areas and elements may not be scored (cost is never scored) or scored by an adjective only. Examples are--

- a. Advantage - meets criteria - disadvantage.
- b. Plus sign - check mark - minus sign.
- c. Superior - acceptable - unacceptable.

7-4. The solicitation. The solicitation can be issued as a DRFP. As discussed in chapter 5 this permits industry to offer comments on unnecessary or restrictive technical, data and other requirement, and alternatives or trade-off beneficial to both the Government and industry. The formal RFP can provide for reasonable substitution of the offerors' internal information and data items for DD Form 1423 prescribed data items. The RFP can also allow trade-offs between the thresholds and goals expressed in the technical requirement.

7-5. The evaluation. The techniques discussed in the preceding paragraphs can be applied to the evaluation. Evaluation of only discriminating elements, factors, subfactors, can streamline the operation. If properly applied the techniques should decrease the evaluation time. SSAC members can monitor SSEB activities in their areas of expertise to fit their schedule or on an as-required basis rather than wait for a full SSAC membership meeting. Drafting and update of the SSEB report as the evaluation progresses can also save time. Repeated BAFOs should be eliminated or minimized.

7-6. Summary. The AS is another name for tailoring the acquisition to make the most efficient use of the resources of Government and industry. Institutional bias and concepts should be discarded if there is a better, faster, and cheaper way to achieve the overall objectives of Defense acquisition. Other Army elements, other military departments, civilian agency, and industry may and do have techniques to improve the Army acquisition source selection process. This pamphlet provides a number of such techniques, but it is not all inclusive.

The proponent of this pamphlet is the U.S. Army Materiel Command. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank forms) to the Commander, USAMC (AMCPP-SP), 5001 Eisenhower Avenue, Alexandria, VA 22333.

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Appendix A
REFERENCES

Section I
Required Publications

Federal Acquisition Regulation (FAR)

Department of Defense FAR Supplement

DODD 4105.62
Selection of Contractual Sources

DODD 5000.43
Acquisition Streamlining

DODI 7000.2
Performance Measurement for Selected Acquisitions

Army FAR Supplement

Army Materiel Command FAR Supplement

AR 37-200
Selected Acquisition Information and Management System (SAIMS)

DARCOM Supplement 1 to AR 37-100-80
The Army Management Structure

Section II
Related Publications

A related publication is merely a source of additional information. The user does not have to read it to understand this pamphlet.

DODD 5000.1
Major System Acquisition

DODD 5010.20
Work Breakdown Structures for Defense Materiel Items

MIL-STD-881A
Work Breakdown Structures for Defense Materiel Items

AR 70-1
System Acquisition Policy and Procedures

AR 71-9
Materiel Objectives and Requirements

AR 600-50
Standards of Conduct for Department of the Army Personnel

AMC-P 715-3
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AR 1000-1
Basic Policies for System Acquisition

AMC Army Training and Doctrine Command Pamphlet 70-2
Material Acquisition Handbook

DARCOM Pamphlet 715-5
Cost/Schedule Control Systems Criteria (C/SCSC) Joint Implementation Guide

Appendix G

Outline for a Source Selection Plan

Section I

B-1. Nature and Scope of the Acquisition.

- a. Description.
- b. How it is to be acquired.
- c. Security of source selection information.

B-2. Source Selection Advisory Council and Other Advisory Sources.

- a. Organization.
- b. Schedule and agenda.
- c. Criteria matrix.
- d. Relative importance matrix.
- e. Support of the Council.

B-3. Source Selection Evaluation Board.

- a. Organization.
- b. Schedule and agenda.
- c. Support of the Board.

B-4. Milestone Chart.

B-5. Bibliography.

B-6. Glossary.

B-7. Revisions.

Section II

B-8. Evaluation Criteria.

- a. Purpose.
- b. Criteria definition.
- c. Structuring criteria for evaluation.

- d. Responsibility for establishing criteria.
- B-9. Procedures for proposal evaluation.
 - a. Nature and scope of the evaluation.
 - b. Preparation and training.
 - c. Breakout of proposals.
 - d. Evaluation committees.
 - e. Scoring methodology.
 - f. Risk assessment.
 - g. Cost evaluation.
- B-10. Documentation of the evaluation.

Appendix C

Major Source Selection Events

- C-1. The SSA is designated.
- C-2. The PM prepares a Source Selection Plan.
- C-3. The Source Selection Plan is submitted through the SSAC to the SSA.
- C-4. The SSA approves the Source Selection Plan.
- C-5. The Contracting Officer places a synopsis in Commerce Business Daily.
- C-6. The Contracting Officer drafts the solicitation.
- C-7. The PM establishes criteria standards for SSAC approval.
- C-8. The Solicitation Review Panel reviews solicitation.
- C-9. The SSAC is formally established and convened to--
 - a. Designate the chairperson and approve membership of the SSEB.
 - b. Review and approve contractor source lists.
 - c. Approve criteria and standards.
 - d. Establish evaluation criteria weights, if desirable.
 - e. Authorize release of the solicitation.
- C-10. The RFP is issued.
- C-11. The KO provides preproposal briefing to prospective offerors, if applicable.
- C-12. Proposals are received--evaluation starts.
- C-13. Oral presentations are made by offerors (optional).
- C-14. Initial evaluations are completed.
- C-15. Competitive range is determined.
- C-16. The SSEB initial evaluation and the KO's competitive range are briefed to the SSAC.
- C-17. Clarification and Deficiency Reports are released and negotiations initiated.
- C-18. Negotiations are completed.

- C-19. BAFOs are received and evaluated.
- C-20. The SSEB evaluation report and briefings are given to SSAC.
- C-21. The SSAC Analysis Report is completed.
- C-22. The SSAC analysis and briefing are given to SSA.
- C-23. The KO reviews the contract.
- C-24. The SSA decision is made.
- C-25. The SSA Decision Document is completed.
- C-26. The SSA announces the award (includes the following simultaneous actions):
 - a. Congressional and other notifications.
 - b. Press release is made.
- C-27. The contract is executed and distributed.
- C-28. Debriefings to offerors are made, if requested.
- C-29. The Lessons Learned Report is submitted, if warranted.

Appendix D

Criteria Categories

a. Critical criteria. Critical criteria are those which must be met if the system or equipment is to be successful. They are related to specific mission, performance, or other essential requirements. For example, against a critical weight requirement for an 18- to 20-ton, lightly armored, tracked carrier, a proposal which specifies a vehicle that could not possibly be fielded under 40 tons would demonstrate gross misunderstanding. However, restraint should be exercised in enumerating such criteria, since they tend to inhibit flexibility.

b. Discriminating criteria. These are criteria which allow for areas of possible optimization, trade-off, and latitude in proposals. They are likely to be at the heart of the evaluation process as opposed to the critical criteria which are more for the purpose of basic proposal qualification. Discriminating criteria are generally a range of values rather than a point value. It is necessary to define each of the discriminating criteria in narrative form including acceptable parameters. A quantitative range of values should be incorporated in these descriptions as a basis for proper emphasis and for evaluation. In other words, the description should reflect the importance of each incremental improvement beyond basic limits.

c. Qualification criteria. Criteria of these types are used to screen out sources that are clearly not capable of performing the contract to be awarded. Care should be exercised in establishing such criteria to assure that they are restricted to elements of special experience, capability, facilities, or other factors which are clearly essential to contract performance. A major purpose of establishing qualification criteria is to spare unqualified firms the needless expense of proposal preparation when there is little or no likelihood that they will be capable of successful contract performance. However, proposals from firms not initially solicited must be considered, since it is not intended by specifying qualifications to restrict competition, but only to discourage participation by firms to which award would not appear possible. Qualification criteria should be approved by the SSA, preferably at the time of, and as a part of, the selection plan presentation.

d. Mix of criteria. The discussion above is not intended to imply that the categories described are mutually exclusive, but rather that one criterion may fit two or more classes depending on its intended use in a particular evaluation.

Appendix E

Examples of Criteria and Standards

E-1. Example of Quantitative Standard

- a. AREA: Operational Utility
- b. ELEMENT: Mission Performance Characteristics
- c. FACTOR: Payload/Range
- d. Description. This factor is defined as the payload which can be carried, considering the basic gross weight, in a given range, when operational utilization of the aircraft is considered (Load Factor 2.5).
- e. Standard. At a weight not exceeding the basic design gross weight, the aircraft is capable of transporting a payload of--
 - (1) 30,000 lbs. for a 2800 nm distance.
 - (2) 48,000 lbs. for a 1400 nm distance.

E-2. Example of Qualitative Standard

- a. AREA: Technical
- b. ELEMENT: System Integration
- c. FACTOR: System Safety
- d. Description. The proposed system safety program will be evaluated for adequacy in effecting the design of changes or modifications to the baseline system to achieve special safety objectives. The evaluation will consider the specific tasks, procedures, criteria, and techniques the contractor proposes to use in the system safety program.
- e. Standard. The standard is met when the proposal--
 - (1) Defines the scope of the system safety effort and supports the stated safety objectives.
 - (2) Defines the qualitative analysis techniques proposed for identifying hazards to the depth required.
 - (3) Describes procedures by which engineering drawings, specifications, test plans, procedures, test data, and results will be reviewed at appropriate intervals to ensure safety requirements are specified and followed.

Appendix F

Evaluation Structure

F 1. General.

a. Comprehensive analysis of complex proposals for development or production of a major system or equipment requires scrutiny of a large volume of detailed information by specialists. These specialists are skilled in disciplines related to the technical requirements of the system or equipment and the managerial, operational, and logistic considerations that are essential to determination of optimal choice. Division of the task among a sizeable number of evaluators, supervision of their efforts, and summarization and analysis of the results of their investigations may be done in a number of different ways.

b. The following paragraphs are based upon a pyramidal organization which is frequently used when analysis in depth is necessary. It permits shredd-out of the detailed tasks to committees, subcommittees, and individuals according to specific criteria and subcriteria applicable to their areas of concern. Neither the method of organization nor the suggested criteria should be considered mandatory or necessarily best for particular situations. They do present an approach to structuring the evaluation which will be useful in many instances and cover the major elements of concern which are common to most procurements.

F-2. Scientific and technical. The principal areas of concern in detailed evaluation of the scientific and technical proposal will be oriented toward the systems engineering approach, engineering management capabilities, and the proposed design approach for each hardware end item. Typical evaluation criteria and subcriteria which provide a reasonable basis for measurement are--

a. Systems engineering and integration.

(1) Overall system concept.

(a) Originality and feasibility of system analysis and system design approach.

(b) Acceptability to state-of-the-art.

(c) Acceptability to technical performance requirements.

(d) Compatibility of system components.

(2) Effective use of system analysis and simulation techniques.

(a) Models demonstrating an understanding of mission performance requirements.

(b) Trade-offs analyses demonstrating an understanding of the Government objectives.

- (c) Identification of high risk areas and alternatives, etc.
- (3) Integration and interfaces of subcontracted and Government-furnished equipment.
- (4) Considerations of--
 - (a) Producibility.
 - (b) Reliability.
 - (c) Maintainability.
 - (d) Simplicity, safety, etc.
- (5) Adequacy of system test and evaluation plan.
- (6) System documentation.
- (7) Flexibility and growth potential.
- b. Uncertainties and technological bases for incentives.
 - (1) Fully structured cost, performance, and schedule parameters identified.
 - (2) Incentives encouraging trade-offs which benefit the Government.
 - (a) Incentives which place emphasis on characteristics related to important Government objectives.
 - (b) Incentives which are consistent with objectives stressed in criteria.
 - (c) When the offeror cost-effectiveness analysis assures that incentives improve the Government's cost effectiveness and that they--
 - 1 Discourage gold plating.
 - 2 Discourage cost savings at the expense of essential quality.
 - 3 Establish targets on sound and realistic technological basis.
 - 4 Are earned for superior technological achievements and life-cycle cost control.
 - 5 Are a realistic expression by offeror of confidence limits on estimates.
 - 6 Tests of earned incentives:
 - a When?
 - b By whom?

- c. How measured?
- c. Detailed subsystem or hardware end item analysis.
 - (1) Design approach and responsiveness to program technical requirements.
 - (a) State-of-the-art.
 - (b) Specific performance parameters.
 - 1 Reliability.
 - 2 Weight.
 - 3 Efficiency, etc.
 - (2) Scientific and technical capability:
 - (a) Capability of assigned technical team.
 - (b) Background and specialized experience.
 - (3) Realism of performance, cost, and schedule predictions.
 - (4) Trade-offs, risks, test and evaluation requirements, documentation, etc.
 - d. Facilities.
 - (1) Availability and adequacy of contractor-owned facilities.
 - (2) Requirements for Government-furnished facilities.
 - e. Technical considerations concerning future acquisition and reacquisition.
 - (1) Breakout.
 - (2) Technical data requirements.

F-3. Operational and logistic support. Evaluation in this area employs criteria directed at confirming mission performance capabilities and operational and logistic support implications, such as--

- a. Operational suitability.
 - (1) Mission performance requirements.
 - (2) Compatibility with existing system, organization, and doctrine.
 - (3) Simplicity, flexibility, environmental, and human factors.
 - (4) Reliability, availability, and maintainability.

- (5) Manpower and personnel integration .
- (6) Design, development, and integration of mission critical software.
 - b. Adequacy of test and evaluation plan.
 - c. Support implications.
 - (1) Reliability, availability, and maintainability.
 - (2) Configuration control and standardization.
 - (3) Support planning.
 - (a) Special tools, fixtures, test and calibration equipment, and facilities.
 - (b) Modular design features.
 - (c) Turn-around time.
 - (d) Ruggedness wherever needed in design approach.
 - d. Incentive features. Incentives are not based on adverse trade-off against operational or logistic interest (coordinate with technical group).
 - e. Personnel subsystem.
 - (1) Operational requirements:
 - (a) Number of personnel required to operate the system.
 - (b) Special training requirements, new Military Occupation Specialty requirements, associated skills, etc.
 - (2) Support personnel requirements: numbers, training, availability of skills, etc.
 - (3) Requirements and plan for contract technical assistance.

F-4. Management and business. This deals primarily with the characteristics of the firm, the adequacy of planning for the specific project, the realism and credibility of plans, and the adequacy of controls and integration of project management control systems with established company practices. Typically useful criteria and subcriteria are--

- a. Organization.
 - (1) Position of the project in corporate organizational structure.
 - (a) Experience and qualification of personnel assigned to the project team.

(b) Lines of authority and decision-making authority of the project manager, relationship to manufacturing, purchasing, etc.

(c) Cost and schedule controls.

(2) Understanding and adequacy of interface with associate contractors and subcontractors and with the Government PM organization.

b. Capacity.

(1) Relationship of projected workload to existing capacity.

(a) Average and peak requirements for available scientific and technical personnel, skilled labor, plant capacity, and computer time.

(b) Existing backlogs.

(c) Interference with existing or anticipated projects and priorities involved.

(2) Extent of new hire requirements, local availability, relocation problems, etc.

(3) Requirements for additional plant capacity and plans for expansion.

(4) Requirements for existing Government-furnished facilities and Government financing requirements for new facilities acquisition.

(5) Make or buy practices.

c. Control.

(1) The offerors may be expected to use a management control procedure that meets the minimum criteria of the cost/schedule control system criteria set forth in DOD Instruction 7000.2.

(a) Nothing in these criteria is to be construed as requiring the use of any single system or specific method of management control or evaluation of performance.

(b) An element in the evaluation of proposals is the offeror's system for planning and controlling contract performance. The offeror fully describes the system to be used. The offeror's cost/schedule control system proposal is evaluated to determine that it meets these criteria. The offeror agrees to operate such a system throughout the contract period, if awarded the contract. The DOD agrees to rely on the offeror's system, therefore, does not impose a separate planning and control system.

(2) For programs below the aforementioned thresholds, the evaluation criteria should be derived from the particular management and control systems prescribed in the RFP. The cost and schedule control systems criteria mentioned in (1) above should be used if specified in the RFP.

d. Contract incentives (coordinate with technical groups):

- (1) Risk versus incentive inherencies.
- (2) Incentive structuring and fee swings to offer strong encouragement for improved industrial management.
- (3) Incentive features tied to management control systems.
- (4) Incentive pass-through to subcontract structure.
- (5) Contract change control system to recognize impact on incentive structure.

e. Histories of past experience.

- (1) Meeting technical performance requirements.
- (2) Record of cost and schedule overruns.
- (3) Experience with same or related technology.
- (4) Record of quality.
- (5) Willingness to accept risk.
- (6) Correction of product deficiencies, action under implied warranties, etc.
- (7) Record of timely delivery of adequate technical documentation.
- (8) History of disputes, litigation, contention.
- (9) Compliance with Federal regulations.
- (10) Cooperation in support of Federal programs to assist small business, labor surplus area firms, etc.
- (11) History of satisfactory labor relations.

F-5. Cost. Evaluation in this area is concerned principally with cost features of the proposed contract and the adequacy of the firm's cost estimating and accounting procedure.

a. Total estimated cost of--

- (1) Development.
- (2) Production.
- (3) Ownership.
- (4) Life-cycle cost.

b. Proposed contract cost.

- c. Cost incentive features (coordinate with technical group).
 - (1) Incentives based on technological rather than accounting skills.
 - (2) Adequacy of target cost estimate.
- d. Effectiveness of firm's cost estimating procedures--credibility of cost projections (cost realism or most probable cost).
- e. High cost risk areas.
- f. Cost impact of deficiencies reported by other evaluation groups.

F-6. Price.

- a. Options.
- b. Life-cycle cost.
- c. Total price.
- d. Contract line item number prices.

Appendix G

Samples of Scoring Systems

G-1. Qualitative and Quantitative Scoring Systems.

a. Three-Descriptor Scoring System.

<u>Adjectival Rating</u>	<u>Score</u>	<u>Description</u>
Acceptable	51-100	Offeror's proposal fully meets all stated requirements. No deficiencies apparent.
Marginally Acceptable	1-50	Offeror's proposal addresses stated acceptable requirements with minor deficiencies requiring correction to be considered fully acceptable.
Not Acceptable	0	Offeror's proposal has not addressed all requirements in a manner that indicates a capability to perform acceptably. Proposal contains major deficiencies not subject to correction without an extreme level of effort on offeror's and Army's part.

b. Four-Descriptor Scoring System.

<u>Adjectival Rating</u>	<u>Score</u>	<u>Description</u>
Exceptional	90-100	Proposed design/concept significantly exceeds stated criteria/requirements.
Acceptable	70-89	Proposed design/concept meets stated criteria/requirements.
Marginal	50-69	Proposed design/concept contains no more than minor deficiencies relative to stated criteria/requirement.
Unacceptable	0-49	Proposed design/concept contains deficiencies to the extent that criteria/requirements can only be met with major changes to the proposal.

c. Five-Descriptor Scoring System.

<u>Adjectival Rating</u>	<u>Score</u>	<u>Description</u>
Above Normal	81-100	Offeror possesses the qualifications needed to accomplish the task set

		forth in the RFP. Deficiencies are minor, relatively unimportant, and easily corrected. It is clearly indicated that the offeror is qualified to provide the required service/product.
Normal	51-80	Offeror has performed work of similar nature and complexity requiring the level of effort and professional skills considered necessary for the task under consideration. Those deficiencies not considered minor can be easily corrected with the offeror's expenditure of time and funds.
Below Normal	1-50	Offeror's capabilities barely meet the technical requirements. To meet standards judged normal will require the offeror to expend considerable time and funds and will necessitate that the Government will be required to increase its level of effort to closely monitor and control the offeror's activities during the performance of the task.
Unacceptable	0	Offeror does not possess the minimum qualifications required to perform the task or has historically demonstrated the inability to complete tasks of a similar nature in terms of time, cost, or technical expertise. Deficiencies are of such magnitude that the offeror cannot reasonably be expected to undertake the expense necessary to correct and, thereby meet, the minimum standards. A complete narrative statement is required explaining why the offeror is unacceptable.
		or
		Offeror does not provide the minimum information required by the RFP to permit an evaluation of the offeror's qualifications. There will be a complete, concise narrative explaining why the offeror does not meet the minimum requirements.

d. Six-Descriptor Scoring System.

<u>Adjectival Rating</u>	<u>Score</u>	<u>Description</u>
Outstanding	95-100	Proposal is acceptable. The proposal earns the score of outstanding based on the most convincing demonstration that the Army's requirements have been analyzed, evaluated, defined, and redefined into maintainable and supportable characteristics that represent the most acceptable integration of system design and logistic support. The exceptional features and innovations are worthwhile and provide increased assurance that the proposed system will completely meet or exceed the expectations of the Army.
Excellent	70-94	Proposal is acceptable. The offeror demonstrates a firm grasp of the Army's requirements and has translated these requirements into a clearly defined, well integrated, effective, and maintainable design and support concept. Exceptional features, innovation, or originality increase the probability that the development will result in an effective and economical system more easily supported and maintained in the field.
Normal	40-69	Proposal is acceptable. Studies, analyses, trade-offs, etc., provided for the key or pivotal points raised by the applicable evaluation criteria have been satisfactorily covered in the proposal. The proposal demonstrates the offeror has correctly appraised and analyzed Army requirements, resulting in a proposed system approach that represents a satisfactory integration of effectiveness and feasibility.
Subnormal	15-39	Proposal is acceptable. It indicates a shallow understanding of Army requirements, is based on inadequately developed concepts, omits considerations that affect system design, or does not sufficiently demonstrate that the

support concepts are realistic and can be accomplished.

Unsatisfactory 1-14

Proposal is acceptable. However, the offeror's interpretation of the Army's requirements or the proposed method of satisfying these requirements, as reflected in the offeror's approach, is so incomplete, vague, incompatible, incomprehensible, or incorrect that it is unsatisfactory.

Rejected 0

Proposal does not meet the requirements stated in the RFP for a acceptable proposal.

NOTE: The foregoing scoring systems were extracted from Naval Air Engineering Center, Proposal Evaluation Handbook NAEC MISC 92-064, Revision B, 15 May 1984.

e. Ten-Descriptor Scoring System.

<u>Adjectival Rating</u>	<u>Score</u>	<u>Description</u>
Outstanding	10	Comprehensive and complete in all details; exceeds all requirements and objectives.
Superior	9	Extensive, detailed response; exceeds all requirements and objectives.
Excellent	8	Substantial response in clearly definable detail; exceeds all requirements.
Very good	7	Significant response; generally exceeds minimum requirements.
Good	6	Exceeds minimum requirements only in minor areas.
Adequate	5	Generally meets minimum requirements.
Weak	4	Does not meet minimum requirements in minor areas.
Poor	3	Lacks essential information to substantiate data presented.
Very poor	2	Lacks understanding of requirements or makes omission in a major area.

Inadequate	1	Makes gross omissions; fails to respond to requirements in major areas.
Nonresponsive	0	The proposed design approach indicates a complete lack of understanding of the requirements or the technical problems involved.

G-2. Color Coding Scheme.

<u>Color</u>	<u>Definitions</u>	
Blue	Exceptional	Exceeds specified performance or capability in a beneficial way to the Army; high probability of success; no significant weakness.
Green	Acceptable	Meets standards; good probability of success; weaknesses can be readily corrected.
Yellow	Marginal	Fails to meet standards; low probability of success; significant deficiencies but correctable.
Red	Unacceptable	Fails to meet a minimum requirement; needs a major revision to the proposal to make it correct.

NOTE: Extracted from Air Force Regulation 70-15, Source Selection Policy and Procedures, 22 February 1984.

G-3. Plus, minus, or check scoring.

<u>Sign</u>	<u>Description</u>
+	Indicates that the offeror has exceeded minimum requirement.
✓	Indicates that the offeror has met the minimum requirements.
--	Indicates that minimum requirements have not been met.

Appendix H

Assignment of Risk

H-1. Identification and assessment of the risks associated with each proposal is essential. The following definitions of risk should be used:

a. High (H)--Likely to cause significant serious disruption of schedule, increase in cost, or degradation of performance even with special contractor emphasis and close Government monitoring.

b. Moderate (M)--Can potentially cause some disruption of schedule, increase in cost, or degradation of performance even with special contractor emphasis and close Government monitoring will probably be able to overcome difficulties.

c. Low (L)--Has little potential to cause disruption of schedule, increase in cost, or degradation of performance. Normal contractor effort and normal Government monitoring will probably be able to overcome difficulties.

H-2. The acquisition activity or program office should prepare and furnish to the SSEB an independent assessment of potential risks before receipt of proposals.

H-3. As a part of their proposal, offerors are required to submit a risk analysis which identifies risk areas and the recommended approaches to minimize the impact of those risks on the overall success of the program.

H-4. The risks which must be assessed are those associated with cost, schedule, and performance or technical aspects of the program. Risks may be inherent in a program by virtue of the program objectives relative to the state-of-the-art. Risks may also occur as a result of a particular technical approach, manufacturing plan, the selection of certain materials, processes, equipment, etc., or as a result of the cost, schedule and economic impacts associated with these approaches.

H-5. In evaluating risk, the evaluators must consider the program office assessment, the offeror's assessment, and make an independent judgment of the probability of success, the impact of failure, and the alternatives available to meet the requirements.

H-6. It is the responsibility of the technical evaluation teams to make sure that the cost team is informed of the identified risk areas and the potential for cost impact.

NOTE: Extract from Air Force Regulation 70-15, Source Selection Policy and Procedures, 22 February 1985.

Appendix I

Examples of RFP Section M, Evaluation Factors for Award

AMC-P 715-3
VOL. I

I-1. Extract from U.S. Army Strategic Defense Command Basic Research and Development Announcement BRPA 86-070 for Architecture Study for Theater Defense.

SECTION M - EVALUATION FACTORS FOR AWARD

M-1. PHASE I (CLINs 0001 and 0002): Evaluation Criteria - The following factors are to be considered in the evaluation of proposals received under this BRPA:

a. Technical:

(1) The offeror will be evaluated on (a) his technical approach for accomplishing Phase I requirements; (b) his demonstrated understanding of the requirements as set forth above; (c) and the qualification and experience of key personnel. (a) is weighted slightly greater than (b) and twice as great as (c).

(2) The technical proposal shall be evaluated and rated excellent, good, satisfactory, or unsatisfactory.

b. Management Planning and Control:

(1) The offerors' organizational structure will be evaluated to determine the ability to provide the resources required to accomplish the work specified in the proposal.

(2) The management planning and control will be evaluated and rated excellent, good, satisfactory, or unsatisfactory.

c. Cost/Pricing: The offeror's proposal will be used as an aid to determine the realism of the proposed cost/price with respect to the proposed concept and technical approach.

d. Factors Information:

(1) Factor (a) (Technical) is significantly more important than (b) (Management Planning and Control).

(2) The Government will determine whether the cost is worth the difference in Technical and Management.

Proposals found to be responsive to the requirements listed will be evaluated using the stated criteria. Selections will be made by the U.S. Government of the best proposals using the above criteria considering the degree of superiority associated with the adjustive ratings assigned. The Government reserves that right to award contracts based on the initial proposal without having to conduct any discussions/negotiations. The U.S. Government reserves right to select for award any, all, or none of the proposals received in response to this announcement. The U.S. Government is not responsible for any monies expended by the offeror before award of contract.

I-2. Extract from U.S. Army Aviation systems Command RFP DAAJ09-84-R-A955 for the T800-XX-800 Engine.

SECTION M. EVALUATION FACTORS FOR AWARD

M.1 Basis for Award. Award of a contract(s) for this program shall be based on the results of a complete Government evaluation IAW this section and shall be made to the offeror(s) whose proposal(s) is/are evaluated as offering the optimum approach(es) for attainment of the program objectives considering Production Competition, Technical, Management, Cost, Reliability, Maintainability/Integrated Logistics Support and other factors. Notwithstanding any other provision of this RFP, the Government reserves the right to select the T800-XX-800 engine which it determines will provide the Government the best value.

M.2 Evaluation of Proposals. Offerors are cautioned to ensure that their proposals are complete in all areas and are submitted on the most favorable terms to reflect their best potential. Anything less may result in being determined nonresponsive, outside the zone of consideration, or unacceptable, and may be the basis for nonselection. The rating of the offeror will be based upon the Government's evaluation or the offeror's commitment made in the scope of work and negotiated contract, whichever is less favorable.

M.3 Evaluation Approach. The proposals initially will be evaluated to assure that the Production Competition requirements have been met. Should the evaluation find that the proposal for Production Competition does not meet minimum requirements, the offeror will be deemed ineligible for award regardless of merit in the other areas. If the proposal meets minimum requirements, Production Competition, as a key driver, will be evaluated to determine merit of the approach and its value to the Government. The evaluation of proposals then will be divided into four (4) areas: (1) Technical; (2) Management; (3) Cost; and (4) Reliability, Maintainability/Integrated/Logistics Support (RAM/ILS). Importance attached to these areas is shown by the following distribution of weights assigned to them:

(1) Technical	30%-----	No longer permitted per DODD 4105.62. -- Only the relative importance of evaluation criteria will be indicated in solicitations.
(2) Management	10%	
(3) Cost	30%	
(4) RAM/ILS	30%-----	

Overall weights for evaluation purposes are shown in Attachment 7. The proposals will be evaluated as set forth below.

M.3.1 Production Competition. The Production Competition evaluation will be divided into three (3) elements - (1) End Item, (2) Parts, and (3) Producibility Engineering and Planning (PEP). In response to this competition initiative, the evaluation will place emphasis on the extent to which the offeror guarantees his proposed successes, achievements, performance, commitment, and/or prices versus other incurred and/or offsetting Government/program cost and/or responsibilities.

M.3.1.1 End Item. This element will be evaluated and rated relative to the offeror's proposed approach for developing a competitive production source, IAW the Statement of Work, and for maintaining viable production

sources at the lowest technical and cost risk to the Government throughout the engine program. The evaluation will be based on the following factors:

a. Importance will be placed on arrangements for the effective technology transfer and maintenance of the common technology base between the competitive production sources necessary to accomplish engine physical and functional interchangeability requirements. In general, the more effective the technology transfer, the lower the program risk should be.

b. Scope and depth of agreements establishing formal liaison/cooperative/interface arrangements between the competitive production sources will be significant measures of responsiveness, particularly as related to the management, systems engineering and use of facilities. The competition-in-production objective will involve definition of responsibilities, lines of authority, and dispute settlement procedures; who does what, when, how and why for each item in the Statement of Work and specification requirements; configuration change procedures; contractual change procedures and documentation; tooling arrangements; and vendor participation.

c. Quality and extent of management and engineering planning by the competitive production sources during the FSD program will be assessed.

d. Significance will be placed on substantive nature and scope of the development and production phase business agreements between the competitive production sources.

e. Strong consideration will be given to the extent and number of alternate sources for high dollar/high usage parts in the combined Bill of Material of the two production sources with emphasis on Small, Small Disadvantaged and Women Owned Businesses.

M.3.1.2 Parts. This element will be evaluated and rated relative to the offeror's proposed approach and contractual commitment to pursuing parts breakout during development and achieving an optimum parts competition posture for his engine design in production. This element will be evaluated on the following basis:

a. Emphasis will be placed on the percent of utilization in engine design (and dollar value relative to total engine cost) of commercially available components, military standard parts, aviation common items, competitively available vendor parts, and non-proprietary items.

b. Lowest overall cost and program risk to the government of the offeror's proposed plan for early and continuing parts competition will be important. Significance will be placed on scope of proposed subcontracts for parts (type and level of qualification effort involved); implementation of socioeconomic policies for parts buys including the extent of the offeror's planned utilization of Small and Small Disadvantaged and Women Owned businesses as subcontractors, vendors and suppliers; compatible parts delivery and end item production delivery schedules; freedom from control of proprietary processes and technology; and magnitude of parts categorized as sole source by the offeror. A Parts Breakout Option also will be evaluated and rated relative to the best net value to the Government for the parts proposed by the offeror for development of competitive technical data

packages, for qualification of additional sources, or for other alternatives chosen by the offeror. Consideration will be given to the corresponding potential for dollar savings to accrue to the Government as a result of future competitive procurement actions on said parts, as compared to the proposed cost.

c. Any alternative proposal (see L.16.3, Part B(4)(c)), if submitted, will be evaluated on the basis of the degree of contractor support to a parts cost reduction program, a Small, Small Disadvantaged and Women Owned Business Industrial Base enhancement and elimination or reduction of Government Acquisition and Management Resources required for Breakout and Competition; the expected improvement in competition; the favored customer/alternative prices for Government parts; and, the contribution to the improvement of the parts area of the Logistics Supportability for the Engine.

M.3.1.3 PEP. Evaluation of the proposed approach to PEP will be based on the offeror's ability to provide a program which will best assure a smooth transition from FSD into production for each production source; the offeror's ability to provide a PEP program which effectively integrates and coordinates the efforts of the production sources; the offeror's ability to flow down PEP to key lower tier of subcontractors and integrate their efforts into a unified PEP program; and innovative contractor proposed alternatives to assure smooth and cost effective transition into production.

M.3.2 Technical. The technical evaluation will be divided into two (2) elements: (1) Basic Engineering Design and Development; (2) System Test and Evaluation.

M.3.2.1 Basic Engineering Design and Development. This element will be divided into four (4) factors - (1) Engine System; (2) Engine Performance; (3) Component Design and Performance; and (4) Air Vehicle/Engine Integration Plan (AVEIP). This element will evaluate the technical risk of qualifying the second source, including effective technology transfer and maintenance of the common technology base. Engine System will be evaluated based on subfactors such as weight, mechanical integration, installation/interface characteristics, growth capability, one engine inoperative/contingency power, and emergency power. Engine Performance will be evaluated on the basis of specific fuel consumption, shaftpower, bleed air extraction, variable output shaft speed, anti-icing system, and production margin. Evaluation of component mechanical/aerodynamic design and performance will be on the basis of the degree of risk associated with achieving the proposed components. Subfactors include the inlet particle separator, compressor, combustor, turbines, controls and accessories, and mechanical components. AVEIP will be evaluated based on the proposed control procedures implemented to ensure that air vehicle engine interfaces are properly addressed.

M.3.2.2 System Test and Evaluation: This element will be divided into two (2) factors as follows - (1) Engine/Gas Generator Testing and (2) Component Testing. These factors will be evaluated based on the adequacy of proposed tests in support of the Engine Qualification Program. Subfactors include gas generator development, Preliminary Flight Rating (PFR), engine extension, dual source qualification, and official PEP/QI

M.3.3 Management. The management evaluation will be divided into three (3) elements - (1) Management Structure, (2) System Engineering Management, and (3) Configuration Management.

M.3.3.1 Management Structure. The evaluation will examine management techniques and specific programs proposed for control of the development, production, and production competition efforts. The management structure will be evaluated for the offeror's and principal subcontractor's formalized organization standards, interrelationships, experience, and procedures relative to definition of the effort to be performed and the assignment of tasks to responsible performing organizations.

M.3.3.2 System Engineering Management. The approach taken to achieving stated production and operating and support goals as well as the control of the RDTE program will be evaluated. Consideration will be given to the depth of planning, implementation of policies, procedures, methods for controlling cost, and the level of detail.

M.3.3.3 Configuration Management. This element will be evaluated based on the plan for identifying and documenting the functional and physical characteristics of the item, controlling changes to these characteristics, and maintaining and reporting status accounting procedures through internal surveillance of participating organizations.

M.3.4 Cost. The cost area evaluation will be divided into three (3) elements - (1) Research Development Test and Evaluation (RDTE), (2) Procurement, and (3) Operating and Support.

M.3.4.1 RDTE. This element will include an evaluation of proposed total price for the performance of all FSD requirements described in the offeror's SOW, including air vehicle support and qualification of the second source. This element will also include evaluation against the Government's independent estimate. If the offeror intends to use Government property during FSD, this competitive advantage will be adjusted by the Government. IAW FAR 45.201, a rental equivalent evaluation factor or rent charge will be applied.

M.3.4.2 Procurement Cost. This element will concentrate on evaluation of the level, depth, and firmness of the Design To Cost (DTC) guarantee for both end item sources. Evaluation of the offeror's DTC guarantee versus the Government goal will be accomplished in this evaluation. In the same manner as described in the above paragraph, the DTC goal also will be adjusted, as appropriate, IAW FAR 45.201.

M.3.4.3 Operating and Support Costs. Evaluation of this element will include offeror's guarantee associated with fuel consumption, parts consumption, maintenance manhours and warranties. The level of cost and depth and firmness of the guarantee from both end item sources will be considered. Comparison to the Government goal will be accomplished.

M.3.5 RAM/ILS. This area is divided into two (2) elements - (1) RAM, and (2) ILS.

M.3.5.1 RAM. This element will be divided into six (6) factors - (1) Reliability, (2) Maintainability, (3) System Safety, (4) Human Factors, (5)

Quality Engineering, and (6) Survivability/Vulnerability. Proposals will be assessed to determine how each of these factors have been considered in the design. The Plan associated with each of these factors will also be evaluated to determine the extent to which controls, organization, activities, and processes are in place to assure that each factor will influence the design.

M.3.5.2 Integrated Logistics Support (ILS). The ILS element will be divided into two (2) factors - (1) Logistics/Manpower Personnel Integration (LOG/MANPRINT) and (2) Air Vehicle Support (AVS). The LOG/MANPRINT factor will be evaluated based on the adequacy, completeness, and level of detail provided in describing how the offeror intends to fulfill the stated System Specification requirements such as ILS Program tasks, LSA/LSAR, Provisioning, Publications, Common and Peculiar Support Equipment, and Training. Evaluation of the AVS will be based on the extent of technical representative support, technical data, repair/overhauls, updated calibration/instrumentation, support equipment, and spare and repair parts support.

M.4 Evaluation Criteria at PFR. Contractors will be evaluated to measure progress toward fulfilling requirements stipulated in this solicitation (i.e., Production Competition, Technical, Management, Cost, and RAM/ILS).

- I-3. Extract from U.S. Army Communications and Electronics Command RFP DAAB07-84-R-K007 for Multiple Subscriber Equipment.

Solicitation No. DAAB07-84-R-K007

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2.3 System Demonstration. The MSE System/Equipment demonstration will provide verification of the existence of the proposed system and facilitate the evaluation of all factors. (See L.162 for details.)

M.3 FACTORS TO BE EVALUATED

1. PART 1 - Operational Suitability (Factor). An assessment will be made of the physical and performance characteristics of the proposed system including vehicles, power units and environmental control units as they impact upon the users ability to operate the system while performing the tactical mission. The description of the proposed system's physical and operational characteristics will be evaluated for conformance to the MSE Operational Baseline as stated in the MSE OCD. Desired capabilities inherent in the offered system will be evaluated to determine the extent to which the MSE System operational suitability is enhanced.

1.1 Mission Performance. The offeror's system will be evaluated to determine its ability to perform those functions established in the baseline requirements of the MSE OCD. The evaluation will include:

1.1.1 MSE Network Communications. The subelements listed below will be evaluated as part of this element.

1.1.1.1 The ability of the MSE System to service the required area.

1.1.1.2 The ability to provide secure voice and data communications.

1.1.1.3 The manner in which encryption is accomplished.

1.1.1.4 The automatic capabilities inherent in the system.

1.1.1.5 The self-organizing techniques of the MSE System.

1.1.1.6 The use of discrete addressability.

1.1.1.7 The method used to accomplish call routing.

1.1.2 Subscriber Terminal Equipment.

1.1.2.1 The proposed telephone equipment will be evaluated.

1.1.2.2 The proposed facsimile equipment will be evaluated.

1.1.2.3 The proposed data equipment will be evaluated.

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M.3 (Cont)

1.1.3 Mobile Subscriber Access Equipment.

1.1.3.1 The ability of the MSE to provide mobile subscriber access.

1.1.3.2 The degree to which the Area Coverage functional element serves the MSRT population.

1.1.4 Wire Subscriber Access.

1.1.4.1 The manner in which wire subscribers initiate and receive calls.

1.1.4.2 The manner in which voice, facsimile and data traffic is introduced into the system.

1.1.4.3 The degree to which the functions of call processing/control, COMSEC, radio access and switching are integrated. The ability to interface with other functional areas will also be evaluated.

1.1.4.4 The vehicles, trailers and assemblages will be evaluated.

1.1.4.5 The power units, cable and wire will be evaluated.

1.1.5 Area Coverage Network. The Area Coverage Network will be evaluated to determine its ability to process, route and extend subscriber calls.

1.1.5.1 The complexity and survivability of the equipment necessary to process, route and extend subscriber calls will be evaluated.

1.1.5.2 The Area Coverage Network integration and interface will be evaluated.

1.1.5.3 The associated vehicles, trailers and assemblages will be evaluated.

1.1.6 System Control.

1.1.6.1 The System Control Element will be evaluated to determine its ability to assist signal personnel in the management of the MSE System.

1.1.6.2 The vehicles, trailers and assemblages will be evaluated.

1.1.6.3 The power units, cable and wire will be evaluated.

1.2 Priced Options. The mandatory priced option features will be evaluated in terms of the operational features gained and the manner and timeliness in which the offeror incorporates the features into his system.

1.3 Desired Features. Those desired features listed in the MSEOD inherent in the proposed system will be evaluated in terms of the operational features gained.

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M.3 (Cont)

2. PART II LOGISTICS.

2.1 Each section of the Logistics Proposal will be evaluated in accordance with the criteria described herein.

2.2 An assessment will be made of the ability of the MSE System to be used and maintained in the military environment, by U.S. troops and/or contractor support (as applicable) in a cost effective manner. The evaluation will include:

2.2.1 Equipment Availability/Logistic Design Considerations. The ability of the MSE System to remain operational and/or be restored to operational condition quickly and easily after a failure has occurred. Maintainability features in the areas of modular design, commonality, standardization, Built-in-Test (Equipment), redundant critical components, etc. will be evaluated. The ability of the system to automate mundane operations and prompt or direct operators/maintainers will be examined. System set-up and initialization requirements in terms of number of personnel and time requirements will be evaluated. The need for operational adjustments, alignments of ancillary (test) equipment will be examined. Operator and maintainer tasks and requirements will be evaluated to determine if the range and complexity of these tasks fall within the skills and abilities of Army operators and maintainers.

2.2.2 Maintenance and Supply Concepts:

The proposed maintenance and supply concepts will be evaluated in terms of:

- (a) Applicability to the US Army Logistics Systems.
- (b) Ability to support the MSE System with an acceptable degree of readiness.
- (c) Ability of the US Army maintainers to perform at the necessary skill levels.
- (d) Proposed spares and repair parts to adequately support the full complement of MSE equipments (range and quantity).
- (e) Impacts of required Test, Measurement and Diagnostic Equipment to support the proposed maintenance concept, appropriateness to the designated Army personnel required to use the equipment, and availability of the test equipment and associated support documentation.
- (f) Spare/repair parts and TMDE storage requirements.

2.2.3 Contractor Logistics Support. The offeror's plan to accomplish the maintenance and supply support IAW the SOW will be evaluated in terms of the

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offeror's ability to "turn around" in a timely manner LRU and other subassemblies; provide qualified maintenance and other personnel for on-site technical assistance including hardware/software trouble-shooting, on an on-call basis where applicable; location and staffing of the maintenance facilities identified.

2.2.4 Technical Assistance. The offeror's plan for on-call technical assistance will be evaluated.

2.2.5 Logistics Documentation. Logistics documentation will be evaluated for its applicability to, and useability for, US Army personnel and logistics systems.

(a) Commercial/Technical Manuals will be evaluated against appropriate standards. Schedules/risk assessments will be determined for "new" or development efforts.

(b) Training material content will be evaluated for applicability to appropriate US Army personnel.

(c) Spares and repair parts documentation will be evaluated for usability within the Army supply system and by using troops.

(d) Maintenance Allocation Chart (MAC) data will be evaluated to determine the extent to which the maintenance concepts are summarized and detailed.

(e) Ground Support Equipment Recommendation Data (GSERD) details provided for stimuli generation or parameters to be measured to allow selection/verification of the Test Equipment required will be evaluated.

2.2.6 Spare/Repair Parts.

2.2.6.1 Recommended Spare/Repair Parts. The contractor recommended spare/repair parts will be evaluated in terms of range (applicability), quantity and price. The ability of the proposed spare/repair parts to support the MSE hardware with an acceptable degree of readiness with minimum cost, storage and transportation requirements will be examined.

2.2.6.2 Integrated Spare Parts Acquisition/Support Plan. The plan shall be evaluated for reasonableness of approach as well as enforceability.

2.2.7 Ground Support Equipment (GSE). The required Ground Support Equipment (GSE) will be evaluated.

2.2.8 Personnel and Training.

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2.2.8.1 Personnel. An evaluation of the types and numbers of personnel required to operate and maintain the MSE System will be examined to determine compatibility with designated (MOS) personnel.

2.2.9.2 Training. Plans for the conduct of training courses to provide sufficient numbers of trained personnel to support the fielding concept will be evaluated. The offerors ability and planning to provide appropriate training materials and aids, in accordance with the contract requirements, to support the schedule of training courses will be evaluated. The ability to transfer without interruption to scheduled training, facilities, material, and expertise to the US Army.

2.3. Contractor Materiel Fielding Support. The offeror's plan for materiel fielding support will be evaluated for adequacy of coverage of the tasks associated with fielding a major system; the quantity, quality and commitment of personnel required; and the facilities requirements to support the fielding. The schedule of activities and events attendant to this task will be evaluated for timeliness, adequacy of coverage and relationship/dependence on other logistics tasks/program constraints. Additionally, the capability of the proposed plan to accommodate changes/modifications to fielding locations and/or schedules with minimum impact on contractual requirements/commitments will be evaluated. The offerors description of the Materiel Fielding Plan (MFP) effort will be evaluated for the ability of the proposed plan to meet the schedules/requirements as described in the SOW.

3. PART III - TECHNICAL (Factor)

3.1 MSE System Specification. The offeror's proposed system specification(s) provided per Provision L.163, paragraph 3.1, will be evaluated to insure they reflect the applicable features contained in the MSEOD and that they adequately and thoroughly define the performance baseline for the MSE System being proposed.

3.2 System Design. The System Design will be evaluated to determine the degree to which it incorporates all the design features necessary to satisfy the MSEOD.

3.2.1 MSE System Architecture. System configuration and interoperability will be evaluated.

3.2.2 System Performance. System performance in hostile and stressed environments will be evaluated.

3.2.3 Network Management. Communications control, signaling/routing plans, priority/pre-emption techniques, traffic flow and system timing and synchronization will be evaluated.

3.3 Equipment. Evaluation will be performed as stated in the following areas:

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3.3.1 Equipment/Component Performance Parameters. The performance parameters that will be assessed will include, but not be limited to switching, voice telephony, data entry and transmission, radio transmission and reception, antennas and system control.

3.3.2 Test Data on Proposed Equipment. The test data provided will be evaluated to verify the operating characteristics and capabilities of the proposed equipments.

3.3.3 Product Specifications Covering Proposed Equipment Items. The technical data and documentation provided will be evaluated to determine the degree of availability of definitive and firm configuration baseline specifications, and for content.

3.4 EMC/EMI. The information provided including frequency considerations will be evaluated.

3.5 COMSEC and Computer Security. The COMSEC portions of the proposal will be evaluated by the Government against presently existing DOD standards for cryptographic systems. These standards are not releasable to offerors. Proposed COMSEC must be acceptable to the appropriate US Government agency to be considered eligible for award. Evaluation will be performed in the areas of system security and cryptography, TEMPEST, software, hardware, configuration control and maintenance.

3.6 Survivability/Vulnerability. Evaluation will be performed in the nuclear, biological and chemical areas.

3.7 Product Assurance and Test. Evaluation will be performed in the following areas: Reliability, Maintainability, Production Acceptance Test Plan and Test Procedures, and Quality Program.

3.8 Computer Software and Post Deployment Software Support (PDSS). Evaluation will be performed in the following areas:

- 0 Documentation
- 0 Experience in Developing and Providing Post Deployment Software Support Communications Systems
- 0 Software Description
- 0 Post Deployment Software Support Plan

3.9 Safety Engineering. The extent to which the MSE System can be safely operated by US personnel will be evaluated.

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M.3 (Cont)

3.10 Human Factors Engineering (HFE). The degree to which the MSE System conforms to sound human factors practices will be evaluated.

3.11 Mobility. The offeror's proposal will be evaluated to determine the degree of mobility of the proposed MSE System.

3.12 Transportability. The offeror's proposal will be evaluated to determine the degree of transportability of the proposed shelter assemblages, trailers, vehicular configurations and equipment.

3.13 Installation Kits. The information provided will be evaluated.

3.14 OPTIONS. Evaluation will be performed on each option.

4. PART IV - MANAGEMENT (FACTOR). The offeror's proposal will be evaluated in the following areas:

- 0 Production Plan
- 0 Program Management and Control
- 0 Configuration Management
- 0 Special Economic Acquisition Provision
- 0 Warranties

5. PART V - COST/PRICE (FACTOR). An evaluation will be made of the following:

5.1 Contract Costs (basic contract and all yearly production options).

5.1.1 Cost Expenditure Profiles.

5.1.2 Hardware/Software Deliverables.

5.1.3 Data Item Deliverables.

5.1.4 Other Contract Costs (e.g., Training).

5.1.5 Evaluated Priced Options.

5.1.6 Warranty Costs.

5.2 Maintenance and Support Costs.

5.3 Personnel Costs.

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M.3 (Cont)

5.4 Evaluation of Additional Corollary Requirements. The evaluation factors as outlined in Contract Costs of this Part V shall also apply to the Post Deployment Software Support (See Provision L.163, Part 5.4) and the Contractor ILS Support Services BOA (See Provision L.163, Part 5.5).

PART VI - DEMONSTRATION PLAN

Not a factor for award. See Provision L.162.

PART VIII - OPTIONS

A review of all information supplied by the offeror will be conducted.

M.19 EVALUATION OF OPTIONS (1975 AUG)

A. Bids and proposals will be evaluated for purposes of award by adding the total price for all option quantities to the total price for the basic quantity. Evaluation of options will not obligate the Government to exercise the option or options.

B. Any bid or proposal which is materially unbalanced as to prices for basic and option quantities may be rejected as non-responsive. An unbalanced bid or proposal is one which is based on prices significantly less than cost for some work and prices which are significantly overstated for other work.

C. The price at which the option will be evaluated shall be the option prices at the quantities as listed in Section B, "The Schedule".

M.27 EVALUATION OF OFFER - RANGE QUANTITIES REPLENISHMENT SPARE PARTS
(SEE PROVISION L.174)

(1) The item unit cost for each replenishment part to be used as a basis for evaluation will be computed in accordance with the following formula:

<u>APPLICABLE RANGE</u>	<u>OFFER EVALUATION FORMULA</u>	<u>PERCENTAGE WEIGHT</u>
Range A Price plus	multiplied by	0.05
Range B Price plus	multiplied by	0.10
Range C Price plus	multiplied by	0.15
Range D Price plus	multiplied by	0.40

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<u>APPLICABLE RANGE</u>	<u>OFFER EVALUATION FORMULA</u>	<u>PERCENTAGE WEIGHT</u>
Range E Price	multiplied by	0.30

ITEM UNIT PRICE FOR EVALUATION EQUALS THE SUM OF THE ABOVE FIVE COMPUTATIONS.

(2) Example of how item unit cost for offer evaluation will be determined:

Received offer as follows	<u>RANGE</u>	<u>UNIT PRICE</u>
	A	\$2.10
	B	\$1.90
	C	\$1.80
	D	\$1.70
	E	\$1.60

Using Above OFFER EVALUATION FORMULA:

RANGES

A	2.10 x 0.05 plus	equals	0.1050
B	1.90 x 0.10 plus	equals	0.1900
C	1.80 x 0.15 plus	equals	0.2700
D	1.70 x 0.40 plus	equals	0.6800
E	1.60 x 0.30	equals	<u>0.4800</u>
SUM OF FIVE COMPUTATIONS			equals 1.7250

Therefore: Item Unit Cost used for offer evaluation would be \$1.7250.

M.41 EVALUATION OF DELIVERY

Any other time of delivery offered must be expressed in the same manner as the schedule specified for the respective quantity or item and must bear the same relationship in delivery between the end-item and ancillary items when

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specified. Offers of delivery of each quantity within the applicable delivery period specified will be evaluated equally with respect to time of delivery. Offers of delivery of any quantity under such terms or conditions that delivery will not clearly fall within the applicable delivery period specified are not acceptable and will not normally be considered by the Government. If a delivery schedule earlier than that specified is offered, the Government reserves the right to award either in accordance with the required time of delivery specified or the time of delivery so offered. If the offeror offers no other delivery schedule, the required time of delivery specified shall apply. The time of delivery will be converted to a specific calendar date in the resulting contract.

M.44 PROPOSED USE OF PRODUCTION AND RESEARCH PROPERTY (APR 1984)

1. Definitions. For purposes of this clause, the term 'Production and Research Property' covers the following categories of Government property used to test or produce or perform services in connection with the manufacture, assembly and shipment of the contract items being procured:

a. Realty. Land, buildings, leasehold improvements, installations etc.

b. Machinery & Production Equipment. Metalworking machinery (primary and secondary) under Federal Supply Classes as follows:

3411 Boring Machines	3441 Bending & Forming Machines
3412 Broaching Machines	3442 Hydraulic & Pneumatic Presses
3413 Drilling Machines	3443 Mechanical Presses (powered)
3414 Gear Cutting & Finishing Mach.	3444 Manual Presses
3415 Grinding Machines	3445 Punching & Shearing Machines
3416 Lathes	3446 Forging Machinery & Hammers
3417 Milling Machines	3447 Wire & Metal Ribbon Forming Mach.
3418 Planers	3448 Riveting Machines
3419 Misc. Machines Tools	3449 Misc. Secondary Metal Forming & Cutting Machines

c. Electronic Test Equipment. General and special test equipment for electronic items.

d. Automotive Equipment. Vehicles, component parts, and maintenance or repair equipment for vehicles.

e. Other Personal Property. Other facilities, special tooling, and other test equipment (for non-electronic items).

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M.44 (Cont)

2. General.

a. The award of this contract must take into account and must annotate the proposed use, by bidders/offerors and their subcontractors, of existing Government-owned Production and Research Property required for performance of the contract. There are three methods, as set forth in paragraphs 3, 4, and 5 below, of enabling usage of this Government property.

b. Bidders/offerors are advised that, if any subcontractor authorized to use Government-owned Production and Research Property refuses to bid or quote to any prospective prime contractor, the Government reserves the right either (1) to prohibit the subcontractor's use of such Government property on this contract, or (2) to evaluate such Government property at 100% of its acquisition cost in evaluating the bid/proposal of the bidder/offeror proposing to use this subcontractor.

3. Solicitation offers use of Government property.

When bidders/offerors or their subcontractors propose to use, to perform this contract, all or part of any Government Production and Research Property offered for rent-free use by this solicitation, the bid/proposal shall: (1) identify the Government property proposed to be used, in the manner required by paragraph 5a(2) below; and (2) include one or more evaluation factors applicable to the Government property, computed in accordance with paragraph 5a(3).

4. Use of Government property in the possession of the bidders/offerors or their subcontractors:

a. When bidders/offerors or their subcontractors propose to use Government Production and Research Property, in their possession under an existing Government agreement, pursuant to another contract, in the performance of the proposed contract, specific written authorization shall be obtained from the Contracting Officer having cognizance of such property (See FAR 45.402 and DOD FARS 45.402). Where the authorization to use the property exists at the time of the bid opening or the close of negotiations for this solicitation, and the use of such property is on a rent-free basis, in accordance with FAR 45.404, the bidders/offerors or their subcontractors shall: (1) identify the Government property proposed to be used in the manner required by paragraph 5a(2) below; (2) furnish the evaluation factor applicable to the Government property, computed in accordance with 5a(3); and (3) provide evidence that the authorization to use the Government property did exist at the time of the bid opening or close of negotiations for this solicitation.

b. If such Contracting Officer refuses to give the concurrence requested, the contractor or subcontractor may report the matter to the Procuring Contracting Officer (See FAR Section 45, Parts 2 and 4).

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c. When the authorization cited in 4a above authorizes use of the Government Production and Research Property on a rental basis, in accordance with FAR 45.403 and DOD FARS 45.403 an evaluation factor, as set forth in paragraph 5a(3), is not required. The bidders/offers or their subcontractors shall, in this case: (1) identify the Government property proposed to be used; and (2) provide evidence that the authorization to use the Government property did exist at the time of the bid opening or close of negotiations for this solicitations.

5. New authorization for use of Government property.

a. When bidders/offers or their subcontractors propose to use on a rent-free basis, to perform this contract, Government Production and Research Property in their custody which is not authorized for use either by existing agreements as specified in paragraph 4 above or by offer under this solicitation, the bidder/offeror shall furnish, as part of the bid/proposal, the following:

(1) Use Authorization. The bidder/offeror will obtain from the Contracting Officer(s) administering the Government property an authorization granting use of the property to perform any contract resulting from this solicitation. The authorization must: identify the Government property authorized for use; show the Government contract number under which the property is administered; and state that the authorized use is to be rent-free provided an appropriate evaluation factor is added to each bid/proposal. Two copies of the use authorization, signed by the Contracting Officer administering the property, will be forwarded as part of the bid/proposal.

(2) Property Identification. The bidder/offeror will identify the items of Government Production and Research Property which it or its subcontractors propose to use and which are authorized for use in accordance with 5a(1) above. Two copies of this property identification, signed by the company official authorized to sign bids, will be forwarded as part of the bid/proposal, and will contain the following information:

Applicable Contract Item Nos.	Identification of Prod & Research Prop. to be used on Col (1) Items	Total Govt Acquisition cost of Col (2) Items	Age of Certain Col (2) Items	Contract No's under which Col(2) items Administered
(1)	(2)	(3)	(4)	(5)
(see Para 6, Note 1)	(see Para 6, Note 2)	(See Para 6, Note 3)	(see Para 6, Note 4)	

(3) Evaluation Factor. The bidder/offeror will compute the evaluation factor to be used during the evaluation to determine the low

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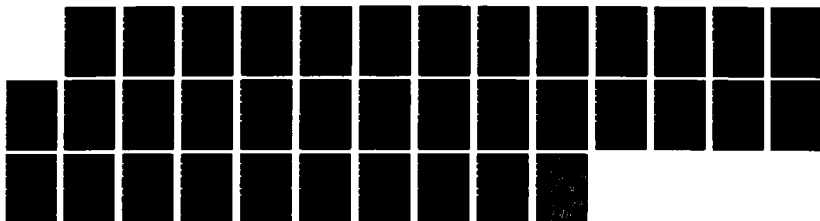
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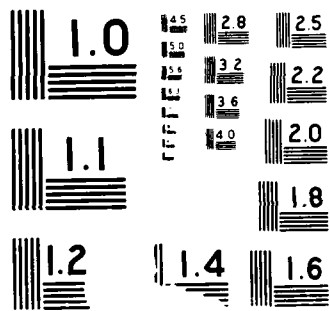
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bidder/offeror, as a basis for eliminating competitive advantage arising from the use of the Government Production and Research Property. Two copies of the evaluation factor computation, signed by the company official authorized to sign bids, will be forwarded as part of the bid/proposal, furnishing the following information: (See paragraph 6, Note 5.)

Applicable Contract Item Nos.	Type, Age & Cost of Govt P&R Property used for Col (1) Items	Rental Factor (% of Prop Cost)	No. of MOS in PDN Period	Total
(1)	(2)	(3)	(4)	
_____	Realty \$ _____	.005	_____	\$ _____
_____	Mach & Prod Equip			
_____	0 to 2 yrs \$ _____	.03	_____	\$ _____
_____	Over 2 to 3 yrs \$ _____	.02	_____	\$ _____
_____	Over 3 to 6 yrs \$ _____	.015	_____	\$ _____
_____	Over 6 to 10 yrs \$ _____	.01	_____	\$ _____
_____	Over 10 yrs \$ _____	.0075	_____	\$ _____
_____	Elec Test Equip \$ _____	.02	_____	\$ _____
_____	Auto Equip \$ _____	.02	_____	\$ _____
_____	Other Pers Pty \$ _____	.01	_____	\$ _____

Evaluation Factor _____
(See paragraph 6, Notes 5 & 6)

NOTE: Information for Column (1) and number of months in Column (4) to be supplied by Contracting Officer in note at the end of this provision. See paragraph 6, Note 1 and 5.

6. Instructions. The following instructions are furnished for preparation of the Property Identification and of the Evaluation Factor respectively referred to in paragraphs 5a(2) and 5a(3) above:

NOTE 1: Column (1) of the Property Identification and of the Evaluation Factor will show separately each contract item (or group of contract items) which the solicitation states can be separately awarded.

NOTE 2: Column (2) of the Property Identification shall identify the Production and Research Property in such a manner that the Property Identification can be used as supporting schedule to Evaluation Factor. This will require categorizing the property as being Realty, Machinery and Production Equipment, Electronic Test Equipment, etc. The Machinery and Production Equipment category must be subdivided by the age groups noted under the Evaluation Factor.

NOTE 3: The Column (3) acquisition costs will include an installation or transportation cost applicable to the Production and Research Property.

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NOTE 4: As indicated under Note 2, Machinery and Production Equipment must be separately reported by the age groups shown under the Evaluation Factor. Each age group is evaluated at a different percent of acquisition cost per month. Equipment will be considered 1 year old on the January 1st following the year of manufacture, and will age 1 year more on each succeeding January 1st.

NOTE 5: An Evaluation Factor is derived by multiplying: (a) The Production and Research Property's cost; by (b) the rental factor consisting of a percent of the property's cost; and by (c) the number of months in the production period.

NOTE 6: Where the bidder/offeror considers that the Production and Research Property will be used concurrently on this proposed contract and other contracts, and desires that the Evaluation Factor be reduced correspondingly, the bidder/offeror must request this reduction and furnish additional information as follows: identification of the Production and Research Property on which concurrent use is expected; the acquisition cost of this property; identification of the other contract(s) on which the property is to be used; and an indication of the specific months during which concurrent use of the property is expected. The Contracting Officer will determine and apply the correct reduction of the Evaluation Factor using the formula set forth in FAR 45.205. The Contracting Officer will consider concurrent use only on those other contracts where the property's use has been authorized at the date of bid opening, or date of closing of negotiations, and he will also resolve questions of the exact overlap of usage which arise from uncertainty as to the date of award of this proposed contract.

7. Confirmation of Authorized Use. The contract issued pursuant to this solicitation shall identify the Production and Research Property which the Contractor and its subcontractors are authorized to use on a rent-free basis.

NOTE:

DATA FOR COMPUTING EVALUATION FACTOR:

Bidders/offerors are furnished the following data to be used, in accordance with paragraph 6, Notes 1 and 5 of the contract provision 'Proposed Use of Production and Research Property', in preparing their 'Property Identification' and their 'Evaluation Factor':

<u>ITEM NUMBER(S)</u>	<u>PRODUCTION PERIOD(S)</u>
0001, 0002	870 DAC
0062, 0063	1275 DAC
0123, 0124	1635 DAC
0178, 0179	2255 DAC

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ITEM NUMBER(S)

0240, 0241
0301, 0302

PRODUCTION PERIOD(S)

2600 DAC
3260 DAC

I-4. Extract from Naval Air Engineering Center Handbook NAEC MISC 92-0640, Revision B.

D.3.2 Evaluation Factors

Evaluation factors are handled as follows:

- o List the evaluation factors in relative order of importance (see Section 5 of this handbook).
- o Key subfactors may be listed for clarity.
- o Weighting that will be used in the evaluation of proposals MUST NOT be included.
- o Selection and ranking of factors must be done during the planning phase (see Section 3).

D.3.3 Explanation of Factors

Explanation of factors is as follows:

- o Briefly describe the factors listed, including the key elements or issues pertaining to each factor.
- o Key subfactors may also be described for clarity.
- o Be careful not to interject elements or issues not stated in the requirement.
- o Information included in the explanation of factors must be developed during the planning phase (see Section 3).

D.3.4 Award

A statement should be developed, in coordination with the contracting officer, that explains to the offerors the basis for the award and any reservations the Government retains for making the award. This statement should be in consonance with the technical and cost evaluations considered and in agreement with the type of contract anticipated.

D.4 Sample Description

The following are sample descriptions of instructions provided in Section M. Evaluation Factors for Award. The samples are representative only and are not intended to be mandatory.

M.XXX Evaluation Factors for Award

1. General. Careful, full, and impartial consideration will be given to all proposals received pursuant to this RFP, and the evaluation will be applied in a similar manner. Factors against which proposals will be evaluated are set forth in this section and generally parallel the RFP response as required by Section L. The evaluation team will not assume that the offeror's performance will include areas of investigation or development

not defined in his written proposal. Significant deficiencies that cause exceptionally low scores on factors or subfactors may be used as a basis for eliminating a proposal from further consideration. The objective of the evaluation is to determine which proposals offer the best prospect for optimum attainment of objectives of this program.

a. Competitive Range. The contracting officer will determine which proposals are in the "competitive range." The competitive range shall be determined on the basis of the ratings and the proposed cost (including realism considerations) to the Government and shall include all proposals that have a reasonable chance of being selected for award. The initial number of proposals considered to be within the competitive range may be reduced when, as a result of written or oral communications, it is determined that a proposal no longer has a reasonable chance of being selected for award.

b. Discussion Best and Final Proposals. All offerors selected to participate in discussions shall be advised of deficiencies in their proposals and shall be offered a reasonable opportunity to correct or resolve the deficiencies and to submit such price or cost, technical, or other revisions to their proposal that may result from the discussions. At the conclusion of discussions, a final common cut-off date allowing a reasonable opportunity for submission of written "best and final" proposals shall be established and those selected to remain in the competitive range will be notified to submit best and final proposals.

c. Final Evaluation of Proposals. The initial evaluation of the proposals within the competitive range may be revised in light of any additional information/data provided during subsequent discussion and/or furnished with the best and final proposal.

2. Evaluation Factors. Factors to be evaluated are shown in descending order of importance.

a. Technical. The technical merit of the proposals will be determined through the evaluation of the subfactors listed below:

- (1) Understanding of problem
- (2) Technical approach
- (3) Technical capabilities
- (4) Plan for accomplishment of tasks
- (5) Feasibility of approach

b. Organization and Personnel

- (1) Corporate past experience
- (2) Related experience
- (3) Personnel experience

c. Management Techniques and Controls

d. Cost

3. Explanation of Factors.

a. Technical

(1) Understanding of Problem. This subfactor is considered of such critical importance that an unacceptable rating in it will render the entire technical factor unacceptable. The proposal will be evaluated to determine if a clear understanding of all technical tasks delineated in the SOW is exhibited. Mere statements of compliance or repetition of the technical requirement without an intelligent, complete discussion and analysis are unacceptable. The offeror must demonstrate technical and management expertise, especially in the areas of life cycle support of avionics support equipment and the problems inherent in the development and maintenance of such systems.

(2) Technical Approach. This subfactor is considered of such critical importance that an unacceptable rating in it will render the entire technical factor unacceptable. The proposals will be evaluated for the extent to which understanding is exhibited in the operational and technical requirements of Navy avionics support equipment. The contractor's proposed technical approach to each of the tasks delineated in the SOW will also be evaluated as to completeness, feasibility, soundness of approach, potential risk, and amount and quality of supporting technical analysis. The evaluation team will not assume any technical competence not demonstrated by detailed discussion and analysis in the proposal. The propriety and sufficiency of material, including software products and tools to be used with respect to the offeror's approach, will also be evaluated.

(3) Technical Capabilities. In assessing the capability of the offeror, particular consideration will be given to the description of the facilities, personnel, etc., that the offeror intends to make available, and the appropriateness of the proposed capability in relation to the contemplated tasks. This assessment will also consider the feasibility and practicality of the means whereby the offeror proposes to obtain the labor categories required to perform on the contract and any augmentation plans for facilities.

(4) Plan for Accomplishment of Tasks. The offeror's probability of success in performing the required effort will be assessed by review of the plan for accomplishment of sample tasks. This assessment will take into consideration such things as:

- (a) The feasibility/applicability of the plan.
- (b) Identification of uncertainties and their proposed resolution.
- (c) Job titles of the staff selected to accomplish the work to illustrate proper use of personnel.
- (d) Estimate of man-hours required to accomplish the task.

(5) Feasibility of Approach. An approach that demonstrates a thorough understanding of the state of the art as well as the application of state-of-the-art techniques to achieve the requirements.

b. Organization and Personnel

(1) Corporate Past Experience/Related Experience. In evaluating the proposals, strong emphasis will be placed on the record of past performance for jobs of comparable complexity and similar technical requirements. Consideration will be given to the degree to which the offeror has met cost, technical, and delivery objectives. The organization itself will be evaluated as to the offeror's past experience with respect to avionics support equipment including support equipment design; test, maintenance, and software design; analysis; documentation, implementation, and maintenance; as well as all the tasks delineated in the SOW. The organization will also be evaluated with respect to its ability to apply quality assurance and configuration management techniques to consistently produce quality products. The organization's experience and expertise in software engineering methodologies and techniques will also be evaluated.

(2) Personnel Experience. This subfactor is considered to be of such critical importance that an unacceptable rating will render the entire organization and personnel factor unacceptable. Availability of sufficient personnel with the required skills and experience will be evaluated. Extent to which personnel for assignment to the work are identified by name, summary of experience, education and background, and firmness of commitment to this contract will be evaluated. Resumes will be evaluated with respect to knowledge in avionics support equipment and automatic test equipment development and maintenance. The extent to which the personnel meet and exceed the qualifications delineated in the labor categories will also be evaluated, as well as the ability of personnel to travel, as required, in support of task orders. The extent to which personnel have experience with state-of-the-art software engineering development methodologies and techniques will be evaluated.

c. Management Techniques and Controls. The adequacy of the management techniques and controls and the project structure proposed for the project will be determined. The adequacy of the overall management approach will also be evaluated with respect to the coordination of efforts within the offeror's own organization and with subcontractors as well as his ability to recognize and react to problems readily. Specifically, the adequacy of management techniques for the development and maintenance of software products will be evaluated. Adequacy of cost controls, periodic reviews, and reports for technical and cost reporting will also be evaluated. The offeror's understanding of the tasking procedures of the SOW will also be evaluated as well as his plan for providing an effective interface with the Government.

d. Cost

4. Award. Award will be made to the offeror whose proposal offers the greatest value to the Government in terms of technical factors, experience, ability, and price, rather than to the lowest bidder. The Government reserves the right to judge which proposals offers the greatest

I-5. Extract from Solicitation No. DAAG39-78-R-9000 for Battlefield Exploitation and Target Acquisition (BETA)

1 General

1.1 The award decision will be based on an overall evaluation of each offeror's technical/management and cost proposals.

1.2 Basis for award of a contract as a result of this solicitation will be integrated assessment of criteria designed to determine which proposal offers the best prospect for accomplishing the Government's requirements and primary objective. Award of the contract will be based on an evaluation of the following factors: technical, schedule, management, and cost. In the final analysis the award will be based on best value to the Government.

2 Evaluation of Factors

Technical and schedule factors are of equal weight and are each of greater weight than management. The cost factor will be separately considered.

2.1 Technical. This factor is comprised of the following sub-factors which are of equal importance:

- a. BETA Test Bed architecture (capability, flexibility and growth) to include suitable correlation center hardware and support software.
- b. BETA application programs.
- c. Man-machine interface.
- d. Sensor interface architecture.
- e. Interoperability of BETA with Host command and control systems.
- f. Communications sub-system (internal and external).

2.1.1 The foregoing technical subfactors will be evaluated in accordance with the following equally weighted criteria.

a. Offerors must demonstrate a clear understanding of all features involved in solutions to problems. In addition, offerors must identify uncertainties and provide specific proposals for their solution.

b. Offerors must demonstrate feasibility of design in terms of current or forecasted state of the art and the extent to which successful performance avoids untried and unproven methods which may lead to excessive risk.

c. Proposals must be complete. All requirements of this solicitation must have been considered and satisfied. Each proposal will be rated strictly in accordance with its written content; the evaluators will not assume that the offeror's performance will include areas of investigation or development not specified in his written proposals.

I-6. Extract from Solicitation No. F19628-77-R-0129 for Ground Based Electro-Optical Deep Space Surveillance Sites (GEODSS).

SECTION M - EVALUATION FACTORS FOR AWARD

1.0 GENERAL CRITERIA

1.1 EVALUATION OF TECHNICAL ASPECTS

GEODSS site design and performance is to be a direct translation of software and hardware developments demonstrated at the Experimental Test Site (ETS). No R&D will be performed as part of this acquisition with the exception of the development of system designs based on demonstrated hardware, software development based on demonstrated R&D software and reliability testing of the camera subsystem. A major source selection consideration will be the extent to which proposed GEODSS site configurations represent fully developed items of proven operational effectiveness.

2.0 GENERAL BASIS FOR CONTRACT AWARD

Five major areas will be considered during proposal evaluation. In descending order of importance these are: 1) Technical, 2) Cost, 3) Operation, Maintenance and Support, 4) Logistics, and 5) Management. The first two areas of greatest importance and will be approximately equal. The remaining three areas are of lesser importance.

3.0 SPECIFIC CRITERIA

The following areas and accompanying items form the basis for proposal evaluation, and are listed in relative order of importance:

3.1 AREA: TECHNICAL

c. During proposal evaluation, specific attention will be given to the following items:

1) Site Performance Capability. Evaluation will be made of the offeror's description of how his proposed site configuration would achieve operational requirements when accomplishing the various missions and modes described in the system specification. Emphasis will be placed on scan coverage rates, tracking accuracy, and detection sensitivity. The site operational availability will be evaluated for adequacy. Emphasis will be placed on the man/machine interface, including the workload involved, and the degree of automation available in achieving the required surveillance performance. Site growth will be evaluated.

2) System Engineering. Evaluation will be made of the offeror's proposed site equipment integration scheme. Emphasis will be placed on reliability/maintainability, system safety, and the maximum practical use of demonstrated, off-the-self hardware and software. Special consideration will be given to the offeror's proposed System Engineering Management Plan.

6) Real Property Facilities. Evaluation will be made of the offeror's proposed real property facilities based on the following: the offeror's grasp of the relationship between his responsibility to define

facility requirements and to design, provide, and install the telescope dome and other items listed in the GEODSS SOW and the Government's responsibility to design and construct real property facilities, and an understanding of the interface between Government supplied facilities and contractor supplied and installed items.

7) Test and Evaluation. Evaluation will be made of the offeror's proposed test and evaluation program. Emphasis will be placed on: test program plans, understanding of the Air Force requirements governing the conduct of test and evaluation activities, and experience in carrying out large scale test programs. Special consideration will be given to the offeror's proposed test program to demonstrate the performance of critical functions and subsystems prior to overseas deployment.

8) Site Energy Effectiveness and Environmental Awareness. Evaluation will be made of the offeror's proposed total energy requirements for site operation in terms of optimum systems engineering and reasonableness. Evaluation will also be made of the offeror's proposed assessment of the impact of site activation and operation upon the environment at each GEODSS site location including the offeror's analysis of the socio-economic impact of site activation and operation upon the local area.

INSTRUCTIONS FOR PROPOSAL PREPARATION

2.2 Site Performance. Discuss in detail the detection, tracking, and identification of newly launched and maneuvered space objects, illustrating how the proposed site meets the threat model and technical performance requirements of the system specification and the SOW. In the development of the detection, tracking, and identification scenario, discuss the following factors thoroughly:

- a. How the site will meet the detection sensitivity requirements, including a discussion of any necessary variation of integration and detecting cycle periods.
- b. The coverage volume and scan rate of a site.
- c. The tracking capacity of each E-O sensor system and the total tracking capability of each site.
- d. How the site will employ tip-off/or historical data to establish an optimum scan sector and search pattern within its coverage for detection and tracking of newly launched or maneuvered objects.
- e. How a systematic search for lost and new objects will be implemented and maintained.
- f. The accuracies, coverage rates, and tasking algorithms pertinent to catalog maintenance, maneuver query, and precision positional measurement.
- g. Tasking algorithms and any site reconfiguration related to the classified mission.
- h. Collection, processing, interpretation, and recording of radio-metric data for purposes of space object identification (SOI).
- i. How the proposed automatic moving target indicator will achieve the required probability of detection, data volume handling capability, and search rate capability.
- j. Growth capability inherent in the proposed design.
- k. The operational availability of a site.
- l. Man/machine interfaces, workload, degree of automation, and number and skill levels of all personnel required for operation of the system.

I-7. Sample General Considerations Criteria

Following determination of the competitive range, a pre-award survey will be accomplished on all remaining offerors. The primary purpose of this survey will be to indicate whether the offeror has adequate financial resources during the performance of the contract; whether the offeror will be able to comply with the required delivery schedule after taking into consideration all existing and projected business commitments; whether the offeror has had a satisfactory record of performance and integrity; whether the offeror has the necessary organization, experience, operational controls, and technical skills; whether the offeror has the necessary technical equipment and facilities; whether the offeror has the necessary Government property control system; and, whether the offeror has the necessary configuration management organization, procedures, and policies for software development.

I-8. Sample of Air Force Management Area Criteria

a. Evaluation will be made of the offeror's management capabilities.

b. An in-plant Manufacturing Management/Production Capability (MM/PC) Review will be conducted to verify management data submitted by offerors in their proposal. Results of this review will be utilized in the evaluation of this area by the Management Panel of the Source Selection Evaluation Board and will address the offeror's capabilities in the following areas: program/functional organization, selection/surveillance of subcontractors, program control/management information system (including schedule), software/hardware interface, and production control.

c. During proposal evaluation, specific attention will be given to the following items:

(1) System Engineering Management. Evaluation will be made of the offeror's capabilities of meeting the engineering management requirements set forth in the System Specification and Statements of Work. Included will be the offeror's management approach to design, fabricate, and integrate the various elements of GEODSS site.

(2) Program Management. Evaluation will be made of the offeror's proposed methods of planning, organizing and controlling the GEODSS Program. Emphasis will be placed on the procedures, organization and communication methods used to insure effective internal control of the program. Particular attention will be given to the offeror's ability to extend direction and control to the activities of subcontractors.

(3) Financial Management. Evaluation will be made of the offeror's management control system for generating data elements for the Cost Performance Report. Emphasis will be placed on the offeror's management control system to provide a framework for defining contract work, assigning work responsibility, summarizing planned versus actual accomplishment, and providing detailed cost, schedule and technical performance information for appropriate management levels.

I-9. Sample Cost Criteria

a. In addition to the evaluation of the technical, schedule and management factors, the award will also be based on cost. Cost will be evaluated based on the cost proposed and cost realism. Cost realism is significantly more important than cost, per se.

b. The proposed cost is significant in that the Government may not be capable of awarding a contract simply because the program cannot be afforded.

c. Cost realism is determined by the Government's estimate of the probable cost of this procurement based on the proposed technical approach, including the probable effects of technical risks and uncertainties. Accordingly, the proposed cost will be evaluated in light of the offeror's technical approach to determine its credibility and realism.

d. Although cost will be an important consideration, integration of the technical, schedule, management and cost factors may result in an award to other than the low offeror.

I-10. Sample of Past Performance Criteria

The evaluation of the offeror's past performance will be based on the following items:

a. Technical Performance. Offeror will be evaluated on probability of meeting performance requirements based on circumstances surrounding previous failures, if any, to meet the technical requirements of contracts for work of a similar nature.

b. Cost Performance. Evaluation of offeror's probability of meeting the target cost will be based on offeror's history of deviations, if any, from target or estimated cost on previous contracts for work of a similar nature.

c. Schedule Performance. Evaluation of offeror's probability of meeting the delivery schedule for the WSC will be based on analysis of offeror's history of failures, if any, to meet the schedules of previous contracts for work of a similar nature. Discrimination will be made between delinquencies of major importance on system deliveries versus minor delinquencies of temporary duration or delinquencies involving only data items.

Appendix J

Examples of RFP Section L, Instructions, Conditions, and Notices to Offerors

J-1. Sample of Past Performance Data Instructions

a. A major criterion for award of any contract resulting from this RFP is Offeror Past Performance. This part of the management volume concerns offeror's representation of his past performance on contracts of similar nature.

b. In this part, offeror shall provide synopses of his performance on comparable past Government contracts, limited to the following:

(1) Contracts completed within the past five years, or nearing completion.

(2) Contracts performed in the same plant and/or division at which offeror now proposes to perform the WSC work.

(3) Choice of contracts to be included is at the discretion of the Offeror.

c. This part shall be divided into (2) sections. Section 1 will list comparable contracts successfully completed with regard to cost, schedule, and technical performance. Section 2 will list comparable contracts which did not meet contractual requirements with regard to cost, schedule and technical performance, and the reason(s) for said failure. Each section shall contain no more than twenty-five (25) contracts.

As a minimum, the following information should be provided for each contract listed:

- (1) Contract Number
- (2) Dollar Value
- (3) Buying Activity and name of PCO
- (4) Administering Activity and name of ACO
- (5) Program Title and name of Government Program Manager
- (6) Description of Item, including Quantity

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J-2. Extract from T 800-XXX-800 Engine RFP

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L.16 Instructions for Proposal Preparation: The offeror's response to this RFP should not exceed a total of 2000 single-spaced pages, excluding test plans (8 1/2" X 11" with narrative no smaller than standard elite type). Each Volume shall be sequentially numbered (e.g., Copy 1 of 20). The response shall be organized as follows, with the offeror submitting twenty (20) copies of each volume: (a) Executive Summary (Volume 1); (b) Proposed Contract (Volume 2); (c) Production Competition (Volume 3); (d) Technical (Volume 4); (e) Management (Volume 5); (f) Cost (Volume 6); (g) Reliability and Maintainability/Integrated Logistics Support (Volume 7); (h) Index (Volume 8). All volumes shall contain easily separable subvolumes and/or sections.

All volumes and subvolumes shall include the following: (a) Title Page; (b) Table of Contents; (c) List of Tables and Figures, and (d) Brief Introduction and Summary. The proposal shall contain the offeror's proposed line of investigation; method of approach to the program; Statement of Work; phases of milestones into which the program may logically be divided, with schedules for completion of each phase of milestone; and any other information pertinent to the program. The Government System Specification reflects the requirements of the program under consideration. The offeror is encouraged to submit his own approaches for consideration, but in all cases the offeror should clearly indicate how the requirements of the program will be fulfilled.

L.16.1 Executive Summary (Volume 1): A brief summary of the proposed program including engine description, performance, proposed testing, reliability and maintainability, integrated logistics support, producibility engineering and planning programs, and schedules for both engine development and air vehicle support shall be included. The approach to the management of the overall program shall be summarized including the offeror's proposed business arrangement for production competition. Cost information shall not be included in this volume. Volume 1 shall not exceed thirty (30) pages.

L.16.2 - Proposed Contract (Volume 2): The offeror shall submit a proposed contract that details how the requirements of the System Specification (herein), and any deviation thereto are to be met. This volume shall refer to all proposed program plans and test plans that are to be included as part of the offeror's proposed Statement of Work.

L.16.3 Production Competition (Volume 3).

Volume 3, Part A - End Item. The offeror shall propose a program which details the methods to be employed in meeting the Government's production commencing no later than the third production contract award. This information shall detail the relationship between the engineering development and initial production phases and include an agreement for mutual exchange of technical data and transfer of technology between the competitive production sources. The following subjects relating to total end item competition shall, as a minimum, be specifically addressed:

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(1) The management and systems engineering approach established between the competitive production sources for the FSD program. The information must describe who does what, when, how and why to the level of detail necessary to assure planning is adequate.

(2) The facilitization approach for each Prime Source is to include such things as developmental, production engineering planning, tooling, transfer of technology, processes, and vendor participation. The description of the methods to be implemented by whom, when, how, and why to establish each source as a legitimate and competitive production source for the engine must be included.

(3) The qualification program must be fully described, to include, as a minimum, the qualification and developmental testing proposed at prime and vendor sources, the extent of qualification by similarity, facilities, and assets to be utilized.

(4) Business agreements for both the development and production phase(s) of the program must be addressed and must include the financial commitments of each company. This portion of the program must include a workable plan for competitive production, including arrangements for contractual and configuration changes.

(5) To assure the Government has viable, adequate competition for end item production in the required timeframe, the second source must be qualified, produce the engine at a cost comparable to that of the developer and must have sufficient capacity. The offeror shall propose a contractually binding provision to assure compliance with the requirement to establish a viable second source for the end item.

Volume 3, Part B - Parts. The offeror shall propose a program which details the methods to be employed to enhance the competitive vendor base and the establishment of multiple vendor sources during Full Scale Development (FSD) and the early production phases of the Engine Program. The proposal shall address the offeror's engineering, design, development, qualification, and management plans to establish competition for parts at the initiation of the development phase. The objective is to ensure effective production competition for subcontracted items/vendor-furnished parts on a long-term basis. The following subjects, as a minimum, shall be addressed.

(1) Planning to assure early design stability and configuration continuity between those parts subject to early breakout and the installed parts in the end items. Specifically, the offeror shall address parts identified by the offeror in response to parts competition SOW.

(2) Engineering design information in sufficient depth to describe, to the maximum practicable extent, commercially available components, nonproprietary items, competitively available vendor material and military standard parts.

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(3) Enhancement of the competitive vendor base by development of multiple competitive sources for vendor items; development of complete, suitable and current technical data packages; and relief from inappropriate proprietary restrictions during FSD and the early production phases of the Engine Program. Contractor efforts to achieve competition in his vendor sources shall emphasize Small, Small Disadvantaged and Women Owned Business firms as additional sources. The contractor shall specifically address his program efforts, and goals to achieve competitive sources at lower levels which excludes parts proposed for the options for Competitive and Technical Data Packages or Qualification of additional vendors.

(4) Submission of a list of parts, i.e., subsystems, subassemblies, support equipment, components, and replenishment parts, selected to provide the Government with the option of acquiring suitable technical data for future competitive procurement action or of providing for qualification of additional competitive sources. This list shall include the name of the subcontractor/vendor responsible for the manufacture and/or supply, its prime and subcontractor nomenclature, drawing number, function and location in the system, and the time required to complete the technical data package or qualification effort. For each part on the list, the offeror shall submit a Firm Fixed Price Proposal for one of the following two alternatives at his election. The offeror may choose competitive technical data packages for a portion of the parts on said list and qualification of additional vendors for the remaining parts IAW the following:

(a) Competitive Technical Data Packages. For this alternative, the offeror shall submit a Firm Fixed Price proposal for Technical Data Packages (TDP) based on Exhibit B, Contract Data Requirements List (CDRL). For purposes of identification, the proposal shall separately indicate the price of the data for each part (packaging and reproduction costs) from the price of the rights thereto (cost of converting limited rights data to unlimited rights data), if any. The proposal shall include a time period for delivery of each TDP, the time period to begin upon exercise of the Option by the Government. The final negotiated price and time period for each individual part shall be incorporated into the contract and the aggregate Option price for all parts identified under this alternative listed at CLIN 0006AA.

(b) Qualification of Additional Vendors. For this alternative, the offeror shall submit a Firm Fixed Price Proposal for qualification of additional sources for the part. The proposal shall include a qualification plan for each part. The offeror shall identify those parts for which a single additional source is proposed and the number of additional sources proposed on multiple source parts. The proposal shall include a time period for completion of such qualification, the time period to begin upon exercise of the Option by the Government. The final negotiated price and time period for each individual part shall be incorporated into the contract and the aggregate Option price all parts identified under this alternative listed at CLIN 0006AB.

(c) Other Alternatives. The offeror is encouraged to provide alternative proposals to achieve the same objective. Proposals should consider alternatives to Government acquisition of technical data, management

Subcontracting and Breakout Hardware

of technical data, management of the configuration of breakout hardware, management of efforts to acquire breakout hardware, and administration of alternate source contracts, as well as Government costs attendant to those efforts, responsibilities and actions. Alternatives which address contractor maintained current breakout data, contractor parts catalogue with favored customer prices for the Government, accounting or estimating systems changes which provide more equitable allocation of cost to parts are examples of areas where the offeror may choose to move to this parts alternative requirement. The above examples are not offered as areas to be responded to but as examples to clarify what is considered in the industry response to the desire for a business arrangement to address the basic issue of parts availability, in the current configuration and at competitive or most favored customer prices. It is intended that complete flexibility be provided the offeror, to achieve the objective, historically accomplished by Breakout and Alternate Vendor qualification. Innovative and unique business proposals are solicited, encouraged, and will be important in consideration of the offeror's proposal. Proposals must include some identification of parts which will be included in the contract.

1.16.3. Part C - Producibility Engineering and Planning (PEP) Program: The offeror shall propose a program which details the methods to be employed in preparing each prime source for production. The contractor shall be innovative and flexible in developing his program. As a minimum, the contractor program should address core required PEP efforts, timeframe for accomplishments, and contractor recommended measurements to reflect readiness for production (including identification of production risk issues). Maximum flexibility is provided to tailor other PEP tasks, to suitable timeframes thereby permitting a contractor to recommend a program to accomplish the PEP objectives.

1.16.4. Technical (Volume 4): The technical volume shall be divided into two parts. Part A shall address the basic engineering design and development. All correlating data to support the engine design shall be prepared IAW AGS 135. The engine performance verification data required by Table I of AGS 135 shall be provided to the 447 ft point, standard, sea level, static conditions, in addition to the points specified in the Table. Offerors shall also provide a sea level, static engine cutaway suitable for viewgraph application. Part B shall address the systems test and evaluation. The engine qualification specification (ECS) in response to the Engine Qualification Program (ECP) shall be included in this volume. The Engine and Engine Test Program shall be submitted with this volume. Parts A and B shall be submitted in two separate volumes.

1.16.5. Part D: Engine Test Program: This volume shall include a detailed description of the engine test program, the approach to meet the Army's engine requirements, and a description of the proposed engine design and all correlating data. The test program shall include, as a minimum, overall arrangement, engine test program, technical integration, installation/operation, engine test program, engine test program, operating surge margin, one engine test program, engine test program, emergency power capability, and use of engine test program. The test program shall include a discussion of trade-offs

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conducted in arriving at proposed design and a discussion of cost, schedule, and technical risks associated with the design.

Volume 4, Part A2 - Engine Performance: This volume shall present all substantiating data required to verify the engine performance to include, as a minimum, shaft horsepower, fuel flow, customer bleed and power extraction, output shaft speed, production margin, and anti-icing system. Engine performance data shall be submitted IAW ADS 18B.

Volume 4, Part A3 - Component Design and Performance: Each component shall be addressed in separately bound subvolumes. Each subvolume shall contain a discussion of the component or subsystem to include detailed substantiating information regarding weight, performance, mechanical integrity, and design life, followed by an assessment of technical risk involved. Relevant layouts, sketches, diagrams, calculations and calculation techniques, curves, and other data as may be necessary for substantiation, justification, or understanding of proposed hardware approaches, shall be submitted for each component. Component data should be provided IAW ADS-18B. The component performance data required by Tables II, III, IV, and VI of ADS-18B shall be provided for the 447 KW point, standard, sea level, static conditions, in addition to the points specified in these tables.

Volume 4, Part A4 - Air Vehicle/Engine Integration Plan (AVEIP): A single generic Air Vehicle/Engine Integration Plan shall be prepared to describe the scope of the integration effort with the potential air vehicle manufacturer(s). The plan shall include all proposed tasks and schedules. The installation characteristics shall be defined IAW ADS-26.

(1) Summary: To include objectives, scope and philosophy to achieve system integration.

(2) Interface Agreement: To include description of proposed agreement to be executed at a later date.

(3) Interface Memorandum: To include accountability and method of transmitting information and documenting agreements.

(4) Interface Control Working Group: To include establishment and method of operation of the ICWG.

(5) Interface Control Document: To include description of proposed document to be executed at a later date.

(6) Engineering Support Program: Plans for providing engineering support to resolve problems, revise designs, conduct analytical effort, support/conduct tests, and provide general technical assistance, to ensure successful air vehicle/engine integration.

(7) Integrated Schedules: Provide integrated schedules to define, as a minimum, air vehicle testing, engine testing, combined testing, analytical support and software exchanges, mock-up delivery/installation, engine deliveries,

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integration progress reviews, scheduled Preliminary Design Reviews/Critical Design Reviews/Program Progress Reviews.

Volume 4, Part B1 - Engine/Gas Generator/Testing: This subvolume shall provide the engine and gas generator substantiating data and rationale necessary to supplement the Engine Development Plan including the type and number of tests as well as the hardware requirements. A description of the engineering and the AVM mock-ups shall be included.

Volume 4, Part B2 - Component Testing: This subvolume shall provide the component substantiating data and rationale necessary to supplement the Component Development Plan.

L.16.5 - Management (Volume 5).

Volume 5, Part A - Management Structure: The offeror shall submit management structure plans for development, production and production competition which describe the company/project organization structure, their missions, functions, and the procedures concerned with definition of the work to be performed and the assignment of tasks to responsible performing organizations. All work must be defined within the framework of the CWBS interfacing with a functional organization.

Volume 5, Part B - System Engineering Management: The offeror shall develop and implement a System Engineering Management Plan which will be applied to all engineering activities, tasks, and technical aspects of the system. The offeror shall ensure that the engineering effort is fully integrated so that it reflects adequate and timely consideration of RAM, quality assurance, test and demonstration, fabrication, operation, and support of the system on the design. The plan, as a minimum, shall include how development, production and O&S goals will be achieved and monitored.

Volume 5, Part C - Configuration Management: The offeror shall submit a plan which, at a minimum, identifies and documents the policy/techniques for performing Configuration Management. The plan shall describe how the offeror intends to assure proper configuration identification, audits (functional and physical), control (including engineering changes, Software Change Proposals (SCPs), Software Enhancement Proposals (SEPs)), and status accounting.

L.16.6 - Cost (Volume 6).

Volume 6, Part A: Full Scale Development (FSD) Costs. All costs shall be estimated IAW the offeror's cost accounting practices and the engine development schedule included in Section F of this RFP. Cost and rationale shall be submitted to the level of detail on the suggested Work Breakdown Structure (WBS). All costs will be segregated into Basic Engineering Development (BED), Life Extension and Air Vehicle Support. DA Pamphlet 11-2 provides R&D cost definitions. In presenting necessary data for evaluation, the offeror is required to adhere to the following:

(1) The offeror shall identify all hardware items as to "make or buy" for the program.

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(2) All costs shall be presented in dollars escalated to the projected Government Fiscal Year (GFY) of expenditure. In addition, costs for the summary of SF 1411, and DD Forms 1921 shall be presented in GFY 85 constant dollars.

(3) The offeror shall submit a summary SF 1411 setting forth the total of all "Cost Elements" for the FSD Phase. In addition, the offeror shall submit a summary SF 1411 setting forth the total of all "Cost Elements" through PFR. The offeror shall submit a separate SF 1411 for each of the proposed contract line items in Section B of the RFP, IAW FAR 15.804-2. IAW the requirements of FAR 15.804-2(A) and 2(B), the offeror shall submit cost or pricing data for each prospective subcontract/vendor whose total FSD cost is at least \$100,000. The SF 1411 should exclude option items; a separate SF 1411 should be submitted for the option items.

(4) For each contract line the offeror shall submit a summary DD Form 1921 and an individual DD Form 1921 for each Government fiscal year in which costs will be incurred. The WBS elements reported on the DD Form 1921 shall include all levels specified in the WBS attached. These data shall also be submitted on all subcontractors who submit cost and pricing data of \$100,000 or more IAW FAR 15.804-2(A).

(5) The DD Forms 1921 and 1921-1 shall be cross-referenced to specific contract line item and cost data included in SF 1411. In lieu of the requirement of submittal of DD Forms 1921 and 1921-1 the offeror may submit bound computer printouts with the cost displayed in a CWBS format for each of the displays. The offeror shall provide Cost Performance Reports (CPR) IAW the System Specification (paragraph 3.10.2.2) and will explain the methods to be used to generate the CPR data elements.

(6) The Government intends to utilize the "LOTUS 1.2.3" computer software package to aid the "roll-up" of cost spreadsheets. Offeror will provide FSD costs by line item and cost elements using "LOTUS 1.2.3" computer software, providing Government access to the disks.

(7) The offeror shall include and be prepared to defend rationale used in arriving at the FSD phase cost estimates.

(8) The offeror shall provide a WBS dictionary for evaluation purposes. It must clearly define scope of work and be useable in tracking to all other information.

(9) Specific emphasis shall be placed on the subcontract cost estimates to ensure that these estimates are furnished with level of detail required in this volume.

Volume 6, Part B: Life Cycle Cost. The Government's goal is to minimize life cycle costs of the T800-XX-800 engine while obtaining acceptable performance. In order to achieve this goal, control of procurement and O&S costs will be the dominant objective. Procurement and O&S costs will be evaluated based on the offeror's contractually binding provisions that cost will be met.

Solicitation No. QAA-CP-84-E-0555

(1) The Government's DTC is provided as an objective (given in Section H.6) but one which the offeror should view as a mark to improve upon. The offeror shall propose a DTC and provide the assumptions and substantiation required to support that number. In addition, the offeror shall propose a guarantee reflecting the confidence in the proposed DTC. The intent is to develop a contractually binding provision incorporating that DTC.

(2) The Government's goal for O&S costs (given in Section H.6) for the T800-XX-800 engine includes fuel consumption and costs for all levels of maintenance. The offeror shall view this goal also as a mark which to improve upon, using the design goals and ILS Plan, including diagnostic equipment which is being proposed. However calculated, all direct maintenance costs should be included in the offeror's proposal. The offeror shall propose an O&S cost goal per engine operating hour with the assumptions and substantiation required to define and support that goal. In addition, the offeror shall propose a guarantee reflecting the assurance the offeror has in the proposed O&S cost goal. The intent is for the parties to develop a contractually binding provision incorporating an O&S cost goal.

Volume 6, Part 2: Historical Costs. The offeror shall provide summary historical cost information on all previous developmental efforts related to engines of similar function, at level 3 of the WBS.

L.16.7 - Reliability and Maintainability/Integrated Logistics Support (Volume 7): This volume shall be divided into two parts: Part A, Reliability and Maintainability (RAM), and Part B, Integrated Logistics Support. Part A and Part B shall be subdivided into separable sections as follows:

Volume 7, Part A: Reliability: The offeror shall, as a minimum, submit a Reliability Program Plan which will detail the proposed technical and managerial efforts, personnel with qualifications, a schedule of activities with milestones, and a Reliability Test Plan which integrates all the necessary test planning requirements of the System Specification. Each offeror shall identify for informational purposes the hours, material, and total costs for that testing dedicated solely to validate the Reliability requirement. The contractor may propose optional Reliability Qualification Test programs, requesting additional airframes to conduct installed engine reliability testing.

Volume 7, Part B: Maintainability: The offeror shall submit a Maintainability Plan consisting, as a minimum, of a Maintainability Program Plan which will detail the proposed technical and managerial efforts, personnel with qualifications, a schedule of activities with milestones, and a Maintainability Demonstration Test Plan (IAW MIL STD 471A) which integrates all the necessary test planning requirements of the System Specification.

Volume 7, Part C: System Safety: The offeror shall submit a System Safety Program Plan which to describe in detail the tasks and activities necessary to implement the System Safety Program requirements. The SSPP shall include organizational responsibilities for task accomplishment and hazard resolution; methods to accomplish requirements; a schedule of activities and a milestone chart showing other steps of system safety activities with other

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program tasks and events; depth of effort; and integration with other program engineering and management activities. The plan shall be prepared IAW DI-H-7047.

Volume 7, Part A4 - Human Factors Engineering: The offeror shall submit a Human Engineering Program Plan (HEPP). The HEPP content and format are described in DI-H-7051. The offeror may tailor the program IAW the scope of the proposed human engineering effort utilizing the requirements identified in MIL-H-46855. All required Maintainability Human Factors demonstrations and their schedule of accomplishment shall be included. Key items to be addressed in the HEPP should include the following:

(1) Detailed discussion of how the offeror intends to incorporate human engineering design principles during system analysis and equipment development to facilitate ease of maintenance. Human engineering maintenance analyses, including layout, design and installation should be addressed in detail along with how human factors considerations will be integrated into systems design and evaluated in trade-off studies along with other design considerations. The offeror shall also describe how human engineering design considerations will be documented and how the data will be utilized to assist in equipment design (especially the relationship between soldier aptitudes, contractor-proposed training, and resultant soldier performance).

(2) To facilitate maintenance, the HEPP shall identify the number of human factors personnel assigned to perform these tasks, including their qualifications and related experience in human factors design. The offeror should also describe how these individuals will be managed and how their design inputs will be integrated and evaluated into the overall interdisciplinary design effort and configuration trade-offs.

Volume 7, Part A5 - Survivability/Vulnerability: The offeror shall submit a Survivability/Vulnerability (S/V) plan in sufficient detail to establish that vulnerability reduction is a continuing consideration during all levels of design. The plan shall address review and updating provisions and incorporation of trade-off analyses. A schedule shall be provided with milestones which cover all aspects of vulnerability reduction design to be considered, such as, ballistic vulnerability, signature analysis and NBC considerations, and phases of the S/V design program. A discussions shall be included describing how each phase/milestone of the plan is intended to be carried out, in addition to a discussion of analysis methodologies intended to be used (along with tangible references and the computer program/models involved). Vulnerability reduction measures to be considered and how they will be integrated into the total engine design including rationale/benefits/penalties for their being used or not used in the program shall be included. The plan shall contain an indication of how S/V area of design will be structured to fit into the total engine design program plan. Lastly, provide a sample of the S/V analyses formats (tabulated data sheets) that will be prepared and a discussion on the type of engine drawings to be prepared and required to support the S/V program. IAW ADS-18B.

Volume 7, Part A6 - Quality Engineering: The offeror shall submit a Quality Engineering program plan based on MIL-Q-9858A to include: (1) A

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(1) Identification of task and plan and milestones; (2) Detailed descriptions of the tasks and accomplishing all requirements of the Quality Engineering Standard; (3) A Software QA (SQA) program plan based on the requirements of MIL-STD-883C. This shall include a description of any other SQA I&E activities not included in the above tasks; a description of other non-program initiated SQA program activities; the methods for monitoring, assessing, and reporting for each task including frequency and type of report formats; and a Computer Program Development Plan (CPDP) prepared IAW MIL-STD-883C. (4) Calibration procedures IAW MIL-M-38793 along with identified

Volume 7, Part 61 - Logistics/Manpower Personnel Integration (LSA/MP/PI): The offeror shall submit an Integrated Support Plan (ISP) pursuant to DI-L-10827 to include documentation to substantiate the techniques and procedures that will be used to implement and manage the ILS program. The initial list of LSA candidates shall be included. Additionally, the offeror shall propose the utilization of an on-line real time interactive LSAR system to be used by the contractor to construct and by the Government to review the LSAR data. Government personnel should have access to computerized drawings as well as LSAR data.

Volume 7, Part B2 - Air Vehicle Support (AVS): This subvolume will address the effort in the AVS program including testing, data, technical representatives, repair/overhaul/updates, support equipment, calibration, and training.

15.9. Index (Volume 8). This volume shall include an index of each
with cross references within each volume as well as to other related
files.

Extract from Air Force Aeronautical System Program Management Source Selection Guide, dated 15 June 1981

Offerors are advised that their performance on similar contracts will be an evaluation criterion in the evaluation and selection of a source for this contract. The relative importance of past performance for any given area, item, or factor is as specified in Section M of the RFP. Both general and specific considerations of past performance will be evaluated for each item or factor within an area as specified. General considerations are aspects of past performance considered by the Air Force which are not provided with an offeror's proposal. Specific considerations are those aspects of past performance contained in offeror's proposal and directly related to the work to be performed. Specific performance aspects representative of this acquisition in scope and similarity will be assessed and verified together with the other evaluation considerations as described in Section M. To this end, the offeror shall include in the proposal specific relevant past performance. Past performance means quality of work, essentially comparable to the work contemplated by this RFP, completed under and in accordance with a contract. It includes but is not necessarily limited to work in the same or similar item for the same or similar scope, performed by the same company/division/profit center, and in a time period reasonably recent to the instant acquisition. This information should also include the name and phone number of the Principal and Administrative Contracting Officers cognizant for the respective contract, the issuing office, description of work, and a discussion of the similarities between this previous experience and the requirements of the Statement of Work. Offerors having no specific relevant past performance will not be scored under that criterion but must state in their proposal that they have no relevant past performance. Note that the contracting office reserves the right to review contracts they consider representative of relevant and recent past performance although not volunteered by the offeror. Such contracts will be made known to and discussed with the offeror.

For contracts/subcontractors greater than \$ _____ million that were performed in the past _____ years will be considered relevant. Data presented will be limited to _____ pages per contract described.

Relevant Past Performance Information to be Supplied:

a. A list of relevant contracts with the applicable area(s), item(s), and factor(s) of relevancy identified, if feasible.

- (1) Contract Number
- (2) Total Dollar Value
- (3) Procuring Agency
- (4) Title of Contract
- (5) Government Program Manager (name, address, and phone number)
- (6) Description of Proposal Product
- (7) PCO and ACO (name, address, and phone number)

(8) Period of Performance

(9) Type of Contract

b. A synopsis of the relevant performance, segregated by at least areas, items, and factors if feasible, which occurred under each contract. As a minimum, the following areas should be addressed, that is:

(1) Technical

--Did the product meet required performance specifications or goals?

--Completion of major technical milestones and number and type of problems encountered and resolved at each.

--Responsiveness to technical contract changes, etc.

--Engineering change proposals

(2) Management

--Adherence to delivery schedule.

--Schedule change history/rationale.

--Timeliness of engineering change proposals submission.

--Compliance with and deviation from contractual terms and conditions.

--Subcontract management ability.

(3) Cost

--Deviations from target cost or price and causes including actual costs to complete contract.

--Achievement on incentive type contract performance, cost, schedules, including award fees.

NOTE: The applicable program office should develop similar considerations for other major characteristics, that is, Logistics, Operations, Test, Manufacturing, etc.

c. Offerors are encouraged to describe any corrective actions taken to prevent recurrence of past performance which they consider substandard.

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Appendix K

An Example of an Outline of a Proposal Analysis Report to the SSA

I-K. Extract from Air Force Aeronautical System Division Pamphlet 800-7,
Acquisition Management Source Selection Guide, dated 15 June 1981

PROPOSAL ANALYSIS REPORT

II. Introduction

- a. Organization - Source Selection Team
- b. Information and Data Sources
 - 1. Proposals
 - 2. Plants Visits
 - 3. Corporate Judgment

III. Highlights of RFP

- a. Performance Requirements and Goals
- b. Other major RFP Items - such as:
 - 1. Basis for Award
(Include each item as was identified in the Source Selection Plan and RFP.)
 - 2. Unique RFP Contents

IV. Proposals (Description)

- a. Sources
 - 1. Solicited
 - 2. Proposed
- b. Description of Proposals
 - 1. Picture or Model
 - 2. Key Features of Design or Configuration
 - 3. Comparison of Principal Performance or Design Parameters
 - 4. Significant Exceptions or Exclusions to the RFP

V. Evaluation Results

- a. Performance

1. Required - Proposed - Evaluated
2. Basis for Government Adjustments
- b. Other Key Design Parameters, as appropriate.
- c. Principal Technical Aspects
 1. Current
 2. Growth Potential
- d. Other Evaluation Items, as appropriate.
 1. Logistics
 2. Training
 3. Testing

VI. Relevant Past Performance

- a. General Considerations
- b. Specific Considerations

VII. Risk Assessment

- a. Risks Identified in RFP
- b. Risks Identified by Offerors
- c. Government Assessment

VIII. Cost

- a. Comparison of Offerors
 1. Proposed - Total
 2. Negotiated
- b. Total Program Cost
 1. Contract Price
 2. Base Support
 3. Management Reserve
 4. GFE
 5. LCC
 6. Total Program Cost

7. Government Estimate - Most Probable Cost
8. IGE
9. Government Facilities
 - (a) Test
 - (b) Machine Tools, Etc.
 - (c) Fair Rental Value - Facilities
10. FY Funding Requirements

IX. Contractual Considerations

- a. Original Proposal
- b. Final Negotiated Position

X. Other Considerations

- a. Management Plan
- b. Contractor's Capability
 1. Design Team
 2. Experience
 3. R&D Facilities
- c. Workload
- d. Other

XI. Overall Comparative Analysis

- a. Strong Points for Each Offeror
 - b. Concerns
 - c. Comparison of Offerors with Reference to Criteria and Key Issues as they appeared in the RFP.
 - d. Comparison of Offerors in reference to Other Considerations as Listed in Evaluation Criteria.
- XII. Findings, if appropriate
- XIII. Recommendations, if requested

Glossary

Section I
Abbreviations

AFARS
Army Federal Acquisition Regulation Supplement

AMC
Army Materiel Command

AMC FAR SUP
Army Materiel Command FAR Supplement

AR
Army Regulation

AS
Acquisition Streamlining

BAFO
Best and Final Offer

CBD
Commerce Business Daily

DARCOM
Army Materiel Development and Readiness Command

DFARS
Defense Federal Acquisition Regulation Supplement

DOD
Department of Defense

DODD
Department of Defense Directive

DRFP
Draft Request for Proposal

FAR
Federal Acquisition Regulation

FOUO
For Official Use Only

GFP
Government-Furnished Property

ILS
Integrated Logistics Support

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IPR
In-Process Review

KO
Contracting Officer

MANPRINT
Manpower and Personnel Integration

MIL-STD
Military Standard

MSC
Major Subordinate Command

PERT
Program Evaluation and Review Technique

PM
Program Manager

RAM
Reliability, Availability, and Maintainability

RFP
Request for Proposal

RFQ
Request for Quotations

SAIMS
Selected Acquisition Information and Management Systems

SOW
Statement of Work

SSA
Source Selection Authority

SSAC
Source Selection Advisory Council

SSEB
Source Selection Evaluation Board

SSP
Source Selection Plan

Section II
Terms

Area
The highest level of consideration in the hierarchy of proposal evaluation criteria (first-level criterion).

Acquisition Strategy

The conceptual framework for conducting materiel acquisition, encompassing the broad concepts and objectives which direct and control the overall development, production, and deployment of a materiel system. It evolves in parallel with the system's maturation. Acquisition strategy must be stable enough to provide continuity, but dynamic enough to accommodate change.

Element

The level immediately below the area level in the hierarchy of proposal evaluation criteria (second-level criterion).

Evaluation Criteria

The basis for measurement of each offeror's ability as expressed in its proposal to meet the Government's needs as stated in the solicitation.

Evaluation Standard

A statement of the minimum level of compliance with a requirement which must be offered for a proposal to be considered acceptable.

Factor

The level immediately below the element level in the hierarchy of proposal evaluation criteria (third-level criterion).

Proposal Evaluation

An integrated assessment of each offeror's ability to satisfy the requirement of the solicitation by the use of evaluation criteria. The proposal evaluation process ensures that judgments are soundly based and that the integrated assessment takes into consideration all relevant criteria.

Scoring

The application of a scale of numbers, words, colors, etc., to denote the degree to which the proposal has met the minimum requirements.

Source Selection Authority

The official designated to direct the source selection process and make the source selection decision.

Source Selection Advisory Council

A group of senior Government personnel appointed by the SSA to advise the SSA on the conduct of the source selection process and to prepare for the SSA a comparative analysis of the evaluation results of the SSEB.

Source Selection Evaluation Board

A group of Government personnel representing the various functional and technical disciplines relevant to the acquisition to evaluate proposals and report its findings to the SSAC/SSA.

Source Selection Plan

A plan prepared for the approval of the SSA for the organization and conduct of the evaluation and analysis of proposals and selection of a source.

Source Selection Process

The process that leads to the selection of a firm that can best meet the Government's needs as described in the solicitation. It ensures impartial, equitable, and comprehensive evaluation of each offeror's proposal.

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Subfactor

The level immediately below the factor level in the hierarchy of proposal evaluation criteria (fourth-level criterion).

Weighting

The technique that assigns the percentage or numerical values to various levels of the evaluation criteria.

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